

095089

JPRS-WER-84-014

9 February 1984

West Europe Report

19991018 035

Reproduced From
Best Available Copy

DTIC QUALITY INSPECTED 2

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

6
102
A06

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

9 February 1984

WEST EUROPE REPORT

CONTENTS

ARMS CONTROL

EUROPEAN AFFAIRS

- NATO's de Jager on Deterrence, Defense Strategy
(Cornelis de Jager Interview; DE TIJD, 23 Dec 83)..... 1

TERRORISM

FRANCE

- GAL Counter-Terrorists Kidnap Basque Segundo-Marey
(LIBERATION, various dates)..... 10
- Kidnapers Well-Informed, by Charles Aubert
Demonstrators Blame Gonzalez, Mitterrand
Fear in Basque Area, by Eric Favereau
Spanish Police, Segundo-Marey Freed, by Eric Favereau
- Anti-Terrorist Liberation Group GAL Claims Basque Murder
(Pascale Nivelles; QUOTIDIEN DE PARIS, 21 Dec 83)..... 18
- Gonzalez Cites Ultra-Right Spanish Police for GAL Actions
(LE CANARD ENCHAINE, 28 Dec 83)..... 21
- Goicoetxea Shooting by GAL Creates New Tensions
(LIBERATION, 30 Dec 83)..... 23
- Spanish Police View GAL Victim as Major ETA Figure
(LIBERATION, 30 Dec 83)..... 26
- RPR Basque Mayor, ETA Founder Madariaga on GAL Actions
(Jean-Paul Cruse; LIBERATION, 30 Dec 83)..... 28

Basques Suspect Spanish Control of French Mercenaries (Charles Auber; LIBERATION, 30 Dec 83).....	31
Goicoetxea Photo Found in Segundo-Marey Kidnaper's Car (Jean-Paul Cruse; LIBERATION, 31 Dec 83-1 Jan 84).....	33
Spain Denies GAL Knowledge, Cites French EEC Opposition (LIBERATION, 31 Dec 83-1 Jan 84).....	35
Basque Businessmen of SOCOA Firm Fear GAL Attacks (Jean-Paul Cruse; LIBERATION, 3 Jan 84).....	36
Iranian Expulsions Yield Details on Export of Islamic Revolution (LIBERATION, 30 Dec 83).....	39
French Intelligence Report, by Veronique Brocard Terrorist Networks, by Eric Landal Reasons for Export of Revolution, by Eric Landal	
Briefs	
Extradition Refused for Spanish Rightist	47

POLITICAL

FEDERAL REPUBLIC OF GERMANY

Opinion Polls Offer No Evidence of Anti-Americanism (DER TAGESSPIEGEL, 9 Dec 83).....	48
Greens' Schily on Visits to GDR, USSR (Otto Schily Interview; DIE TAGESZEITUNG, 4 Nov 83).....	50
Greens Certified Free of Terrorist Ties (Ursula Knapp; FRANKFURTER RUNDSCHAU, 15 Dec 83).....	55
Greens' Role in Dissolution of Peace Movement Leadership (Dirk Cornelsen; FRANKFURTER RUNDSCHAU, 15 Dec 83).....	56
DKP Seeks Links With SPD, Greens in 'Peace Struggle' (FRANKFURTER RUNDSCHAU, 9 Dec 83).....	57

ITALY

Berlinguer on PCI's Political Initiatives for 1984 (Enrico Berlinguer; L'UNITA, 31 Dec 83).....	59
--	----

PORTUGAL

Possible Assignment of Soares Carneiro to High Military Post (EXPRESSO, 24 Dec 83).....	62
Cavaco Silva Presents 1984 Budget Proposals (EXPRESSO, 24 Dec 83).....	64
Speculation on Possible Candidates To Fill Government Vacancies (EXPRESSO, 24 Dec 83).....	66
Commentary on Need To Remodel Government (Agapito Pinto; O DIABO, 13 Dec 83).....	68

MILITARY

NETHERLANDS

Shortage of Commissioned, Noncommissioned Officers in Army (Arnold Burlage; DE TELEGRAAF, 28 Dec 83).....	73
--	----

NORWAY

Newspaper Backs Defense Minister in Call for Increased Funds (Editorial; AFTENPOSTEN, 11 Jan 84).....	75
Liberal Party Leader Perceives New Basis for Defense Consensus (Pal Nordenborg; ARBEIDERBLADET, 31 Dec 83).....	77

SWEDEN

SAS Airline To Adapt Helicopters for Submarine Hunting Role (SVENSKA DAGBLADET, 20, 29 Dec 84).....	80
To Be Completed by 1986, by Erid Liden Contract Signed	

ECONOMIC

SWEDEN

Industry Forecasting Institute Sees Continued Strong Growth (Jan Magnus Fahlstrom; DAGENS NYHETER, 10 Jan 84).....	82
---	----

Central Bank Ends 1983 With Record Currency Reserves (Jan Magnus Fahlstrom; DAGENS NYHETER, 10 Jan 84)	84
---	----

Foreign Debt Increased Over Thirty Billion Kronor in 1983 (Anders Nordstrom; DAGENS NYHETER, 10 Jan 84)	85
--	----

TURKEY

Mumcu Turns Critical Eye to Foreign Exchange Rules (Ugur Mumcu; CUMHURIYET, 3 Jan 84)	86
--	----

Banks Hard Pressed To Keep Pace With Ozal Policy (TERCUMAN, 9 Jan 84)	88
--	----

ENERGY

FRANCE

Two New Oil Exploitation Techniques by Elf-Aquitaine (AFP-Auto, No 3377, 15 Dec 83)	90
--	----

ENVIRONMENTAL QUALITY

EUROPEAN AFFAIRS

Environmental Catastrophe Threatening North Sea Coastal Area (Osmo Vatanden; DAGENS NYHETER, 9 Jan 84)	92
---	----

NATO'S DE JAGER ON DETERRENCE, DEFENSE STRATEGY

Amsterdam DE TIJD in Dutch 23 Dec 83 pp 28-32

[Interview with NATO General Cornelis de Jager, chairman of the Military Committee of NATO, on Christmas Eve at NATO headquarters in Brussels, by Ton Oostveen: "NATO General De Jager: 'There Is No Contradiction Between Peace and My Work'"; passages enclosed in slantlines printed in italics]

[Text] "We often say: the army is a necessary evil. But isn't it true that the army is necessary because of the evil?" General Cornelis de Jager, chairman of the Military Committee of NATO. And hence, in that organization the highest level soldier. An interview on Christmas Eve at the headquarters. About the usefulness of conventional weapons, the deterrence value of the NATO system, the "limited response" to the threat from abroad and the impact of new technologies on the military industry. But: "I still believe in the peace which is proclaimed in the Christmas event."

"NATO," said the four star general, "will not and cannot attack. It exists for reasons of defense."

Well now? Is an ever broader mass of people wrong when it fears that the unthinkable is becoming thinkable: a nuclear holocaust?

The general: "We should be thankful that war has become impossible. And I shiver at the thought of people who, with the best intentions, want to get rid of nuclear arms and thus pull war back within reach of our possibilities."

He really did seem to shiver.

Heaviest Attack

We are being told over and over again that NATO is a kind of peace movement.

The threat comes from elsewhere.

And yet...! A quote from NAVO-KRONIEK, in which Norwegian member of parliament Grethe Vaerno recently wrote:

"The Atlantic Alliance is currently experiencing one of the heaviest, lengthiest and most nearly successful attacks in its history. The struggle for public opinion is not over yet, even if this specific fight may already have reached its climax. Anti-NATO forces will be able to use the ground they have won as a platform for a later attack, unless we get involved more deeply in the transfer of our security policy."

NATO in defense. It is an historical irony that Dutch peace movement members have given a large number of impulses to a gradual international struggle against the philosophy of the nuclear balance of deterrence, as it exists in NATO. However, this philosophy is also vigorously defended by other Dutchmen.

A well known figure is Mr Joseph Luns who, as secretary general, runs the political sector, even though half a year from now he will be handing the baton to Lord Carrington. Since last spring, General Cornelis de Jager has been chairman of the so-called "Military Committee" of NATO and thus the highest level soldier in the alliance.

A tall, graying man with a large forehead. In spite of his stars and stripes, he is a friendly man with peaceful eyes and an agile speaker. Although he is usually sparing in providing points of view. He believes that servicemen like cobblers should stick to their last and should certainly not get in the way of politicians.

"This is not going to be an interview, is it?" he said at the beginning of our conversation at NATO headquarters in Brussels.

But this did happen to be the intention.

The general agreed as long as he could read the text beforehand. Everybody is listening closely: NATO is supported by civilian authorities and not by military technocrats.

Military Opinion

[Question] What precisely is your task?

[Answer] I coordinate cooperation between the military authorities of the member states. In the same way that the ministers of foreign affairs and of defense of the allied members regularly meet with the secretary general, the chiefs of staff of the member states or their permanent representatives meet under my leadership.

In terms of determining NATO strategy, they receive instructions from their governments. I try to bring their points of view into line. The joint goal is to achieve the best possible security policy from a military point of view. Sometimes we quickly agree, sometimes there is a great deal of discussion.

Our deliberations then lead to advice to the ministers or to direct instructions to the NATO commanders. The "Military Committee" is the highest authority. My function also involves providing for military input during the periodic dialogues between Mr Luns and the NATO ambassadors. There, I represent the military opinion.

[Question] The military opinion! What exactly does that mean?

[Answer] It sounds rather loaded, I understand that. But it refers primarily to the military relevance of possible decisions, to advice based on this expertise. For example, you answer the question of how many divisions you would need to counter a certain threat from the Warsaw Pact, and what you could do with those divisions. Things like that. We present the defense possibilities in case one wants to defend oneself.

Sailing, Flying, Firing

[Question] Given that expertise, this opinion seems rather decisive.

[Answer] Our opinion is one factor. We realize full well that the ministers need to involve many more people in their judgement. The financial possibilities, for example. That is not our immediate area. However, we do indicate a certain risk limit for a responsible defense, below which we must not fall.

Then a /gap/ does appear on occasion between our wishes and what politics is able to offer. Besides, our opinion is subjective. I mean: it is fortunately not tried out. There is no practice of war.

[Question] In years past, you have on occasion pleaded for politicians to listen better to the military. Are you satisfied with the NATO politicians?

[Answer] I can't complain about them. They specifically ask for our opinion and they listen attentively to it. The ministers do the best they can to organize a responsible defense. I know that they have a hard time with it, but they should not resent the fact that we continue to insist on a number of essential needs.

[Question] What needs are those?

[Answer] For the navy, submarine combat and air defense. For the air force, maintenance of the current level of our capability. /Sustainability/ we call that here. This requires that we have enough fuel, ammunition and spare parts. We would also like better electronic systems and a better identification system.

The same is true for the army: an effective air defense plus defense capability against chemical and electronic warfare. And especially: supplies in order to be able to use the people and the costly equipment sensibly.

[Question] Is NATO deficient in this?

[Answer] Well, you do have to keep hammering on it. The deterrence value of your armed forces stands or falls on your ability to use them for more than a few days in case of emergency. And here you have the financial-economic problems which the governments are faced with. That forces them to make budgetary cuts.

Where do you find the money then? Then you quickly get to the purchases which are made from year to year, and they happen to involve supplies. The "cuts" are sought there. But then I say: it is essential that we be able to continue to sail, to fly and to fire.

Lack of Money

[Question] We were told by a NATO source that it is precisely that lack of money which saddles us with the nuclear arms problem. Because a nuclear defense would be much less expensive.

[Answer] That assumption is wrong. Those costs are borne by the Americans. I have nothing to do with that. But in recent years NATO has precisely gotten rid of quite a number of nuclear arms: a few years ago a thousand of them were scrapped; this year, at Montebello, they decided to cut down further.

You would expect that the governments would spend more on conventional weapons then, but against our expectations this did not occur either. Just take a look at the Netherlands, which deliberately reduced the growth of the defense budget from 3 to 2 percent. The Netherlands does not stand alone in this. This happens within the framework of the economic crisis, not based on a choice in favor of nuclear arms.

[Question] But NATO does get rid of obsolete nuclear arms and of those which have become superfluous because of the advent of new nuclear arms systems such as the cruise missile and the Pershings, doesn't it? Isn't the nuclear strike force stronger than ever? Thus, this reduction doesn't mean much to me.

[Answer] Nuclear arms have been eliminated because of very critical positions against these systems, including from within NATO itself. Our task is to prevent nuclear arms pointed at us from elsewhere in Europe from ever being used. This makes nuclear arms on our side essential, but never more than is strictly necessary.

[Question] Then why are those new cruise missiles so vital anyhow?

[Answer] Because of their /balance function/. Because the opposite party also has them, you cannot consider them as compensations for a weak conventional armament. You have to look at them the way chemical weapons were looked at in World War II. At that time they were, among other things, never used because both parties had them.

Public Opinion

[Question] Many people fear that NATO is getting away from that course. That deterrence weapons are becoming combat weapons and nuclear war is becoming thinkable.

[Answer] NATO doesn't want and cannot do anything like that. Then it would have to increase its conventional armament very drastically, because you will not make it with nuclear arms alone. You cannot run a war with that. It is precisely for that reason that NATO is not able to take offensive action.

We can defend ourselves, that is true. And in that capability lies the deterrence value of our system. We do have nuclear arms and, if we are forced to do so, we can use them.

[Question] Nevertheless, for a growing number of people these weapons are becoming unacceptable.

[Answer] We provide military advice, independently from public opinion. My first concern is not what people think but what governments want. This is where the political responsibility lies. They make the choices.

[Question] Yes, but I wanted to talk about the military-strategic science for a moment. After all, it does not only add up military systems, but it also weighs the usability of weapons. Isn't the unacceptability of weapons in the eyes of society, where they are used, also a strategic factor?

[Answer] The first factor we have to deal with is the threat from abroad. You weigh it and you search for a response to it. This can vary from guerrilla-type activities to and including the establishment of enormous armies and weapons systems. Somewhere in between lies the reality of the moment.

From a military-strategic point of view, finding the right response to the threat is tied to a time and a place. Do you want to defend yourself? If yes, how? And with what? In this choice of strategy, manpower and means play an important role, but so does acceptance by the people. Examples of this are well known.

Flexible Response

[Question] So, what people, who militarily speaking do not know one thing from another, think does count?

[Answer] Yes, and the history of NATO could teach you that. One strategy follows another. I remind you of the /massive retaliation/, the all or nothing strategy from before 1967. It could almost automatically have led prematurely to a large scale war. At that time people were more afraid of the effect of their own strategy than of that of the opponent.

Our current strategy of /flexible response/ was developed from this in several stages: the limited response. Not do anything more or less than is definitely necessary. Keep more options open: conventional and nuclear. And the substantial reduction of the nuclear option decided on by NATO fits within this framework.

[Question] This does not take away the people's fear. They see a continuing arms race which only places greater emphasis on quality than on quantity, as was written in the Dutch Defense Memorandum.

[Answer] Then you should make people more aware of the fact that they should be less afraid of their own defense and that they have more to fear from the threat of the opponent.

European Armed Forces

[Question] Some people say and write: it could be different. Form a European Alliance within NATO, whose strength is based on conventional armament. It would keep the opponent credibly at a distance and would keep Europe out of a possible nuclear confrontation between the big powers. And if that is more expensive, then so be it.

[Answer] Let me first say: I fully support any striving toward more conventional armament, because it produces a fair amount of deterrence. In that case you will much less quickly need to reach for nuclear arms.

Next: people do shout things like that, but I don't see any of it reflected in the defense budgets. They are going down. So, let those people then not only object to the nuclear component of our defense, but take action in favor of higher budgets.

Thirdly: I am not an advocate of any European armed forces whatever, an alliance within the alliance. Not because I am opposed to European cooperation. This seems highly desirable to me but it is none of my business. I only mean that it is essential for the security of the United States, Canada and Europe to remain coupled. If you were to uncouple them, then the real dangers would arise.

[Question] The European option comes from serious people. Willy Brandt is thinking in that direction. And you find it all nonsense?

[Answer] No, I didn't say that and I will never say that. I never find serious discussions of and a thorough formation of opinion about defense problems nonsense, even when I don't agree with it. I am only saying that for me I would vote against a structure which would undermine this coupling in any way.

Let us assume that you had such a renewed /European Defense Community/, such an alliance within NATO. Then, if the war were to get out of hand, you would have to throw a bridge to your allies on the other side of the ocean anyway. Then you would create an enormous handicap. Europe needs nuclear arms because the opponent, also in Europe, has them and because they are targeted on us. They have an intimidation function.

[Question] Hence, no two-pillar NATO?

[Answer] I don't see any salvation in it.

High Technology

[Question] People do talk sometimes of another promised land to get rid of the nuclear threat. High electronics. Are new technologies possible which are so refined that they would ban war? For example, through a perfected control from space?

[Answer] Listen well. New technologies do not make wars impossible because they already are. This is why I shiver at the thought of people who, through their opposition to nuclear arms, make war possible again.

As far as this high technology is concerned: it is very hard to judge. Then they use words like /star war/, a war of stars. What does that mean? What can be done in and from space? And what would it cost? And could you protect the soldier crawling or driving along the ground from there?

I believe in the influence of high technology on the military industry. This has been studied a great deal and the process of electronic defense is already very advanced. You have to distinguish what is useful, because there are of course more than enough suppliers who want to sell all kinds of technologies for all sectors of the military industry. But it is still far too early to even venture a guess as to concrete applications.

[Question] And space also plays a role in this?

[Answer] In principle, yes, for example for reconnaissance and communication. But this development does involve tremendous risks. Because if you launch all kinds of satellites, then the need to protect and guard them arises automatically. Look, when the first television satellites were launched, nobody said /no/. But now? At what cost do we want to protect those things? What risks does this entail?

Fulda Gap

We quickly returned to earth for a practical problem. My folder with publications on NATO contains gloomy articles on the /Fulda gap/. This is a hard to defend sector in Germany which, according to these publications, has been entrusted to American armed forces undermined by the use of alcohol and drugs. And consequently, the defense belt along the western border of the Warsaw Pact is supposed to be as leaky as a basket.

[Question] Is that true, general?

[Answer] Now that is really nonsense. It is not a belt and the basket is not leaky. It is simply NATO territory. We defend as far eastward as possible in order not to give the enemy a chance. That Fulda gap is a geographic concept. It is a spot where the enemy would best be able to push through, given the conditions of the terrain. The gap itself is like the bed of a river, where the water gathers.

There is no Fulda gap in the sense of an inadequately defended sector. And as far as those American armed forces undermined by the use of drugs are concerned: I don't know anything about that story. I am very happy that the Americans are there and I hope that they will stay there for a long time to come.

The colonel in charge of information urged us to end the interview. The time was more than up. "You must have enough now," said General De Jager.

I denied that. You don't get to see the NATO chief every day. As far as I am concerned, the interview cannot last long enough. The men laughed. And allowed one more question.

I chose a somewhat personal one. General De Jager is an active member of the Reformed Church; a few times I detected the careful choice of words of protestants faithful to the Bible. And this article is being published on Christmas Eve, for Christians the ultimate festival of peace.

Trust the Government

[Question] Do you believe in peace, or are you only keeping war from happening?

[Answer] (And then, suddenly, and rather fiercely, there was emotion:) I still believe in the peace that is proclaimed in the Christmas event. That is a fundamentally different peace from the peace that people try to pursue in so-called human relations.

A consequence of the peace promised at Christmas is that we try to live in good harmony with each other here. Governments have the duty to see to it with all their might. Therefore we must trust those governments. It is only by supporting those governments that a society will be possible which will lead to greater security also in East-West relations.

[Question] So, in your opinion it is essential that one should trust the governments?

[Answer] Yes, I trust them completely. But you have to give them a chance and support, as it should be. People who talk about the peace of Christmas should realize that they are obligated to support the governments which have a very special task of management and steering.

And, on the one hand, to have your mouth full of Christmas and, on the other hand, to make it impossible for the governments to carry out the necessary policy, that I find an incomprehensible internal opposition.

(Silence...)

Well, yes, you asked for it.

[Question] Well, that is a clear answer. I may well be a member of the IKV [Interchurch Peace Council], but I am still able to listen well to a general.

Peals of laughter.

Then the general said: "I didn't know that. But you have to understand that for me there is no contradiction between peace and my work. Otherwise it would be impossible for me to do it. I am fully aware of the major problems, but I believe that in this way I can serve my country and my people and at the same time contribute to peace with our neighbors. And I find it very biblical to have trust this way and not to be afraid.

Evil

[Question] Do I hear Romans 13: Bend down before the authority of the government?

[Answer] Oh well, Romans 13, the whole bible is full of it. You should at least start by giving the government your trust and then let parliament supervise. Could I refer to that K in your IKV? We often say that the army is a /necessary evil/.

Think with me, starting from that K. Isn't it true then that the army is necessary /because of/ that evil? Shouldn't we be thankful then that we have a government which is willing to take the responsibility for that? You may find that old-fashioned, but support for the government is not a basic motive that we have invented ourselves. Those who don't want that, should come up with an alternative. But I have never heard of one. And I would be surprised if there ever were such an alternative.

The colonel motioned that now I really had to go. The general accompanied us to the door. We could ascertain that the NATO headquarters was managed in ecumenic unanimity by a typical /Dutch duo/: a very Roman Catholic secretary general and an unadulterated Calvinist military commander.

[Question] Are you a soldier to the bone, Mr De Jager?

[Answer] Yes, because I believe I am serving peace best this way.

8463

CSO: 3614/26

GAL COUNTER-TERRORISTS KIDNAP BASQUE SEGUNDO-MAREY

Kidnapers Well-Informed

Paris LIBERATION in French 7 Dec 83 p 16

[Article by Charles Aubert: "Kidnapping at Hendaye: Did the Spanish Cloak-and-Dagger Men Take the Wrong Basque?"]

[Text] After the kidnapping Sunday of a Spanish Basque who has lived in Hendaye since the Spanish Civil War, the reasons behind the kidnapping are still not understood. And the former legionnaire arrested the same day at the Franco-Spanish border was indicted yesterday.

Hendaye (By mail)--Pedro Sanchez, 49, former legionnaire, who was arrested Sunday night near the Spanish border after having, with three other accomplices, kidnapped Alphonso Marey-Segundo (a Spanish Basque living in Hendaye since the Civil War) was brought before Examining Magistrate Cousteau in Bayonne late Tuesday afternoon.

Questioned since Monday by officers of the criminal investigation bureau, he had maintained absolute silence as to the motives behind this kidnapping, as well as concerning the kidnappers' intentions with regard to Alphonso Marey-Segundo's fate.

In any case, in Hendaye and Saint-Jean-de-Luz, the reasons behind this kidnapping remained a complete mystery. As far as was known, the victim was not involved in any political activity whatever. Nor in anything that might point to his being a member of any branch of the ETA [Basque Fatherland and Liberty Group]. Nor could his status be likened to that of the political refugees who have been living in France since the end of the Francoist era. Alphonse Marey-Segundo arrived in France at the age of 5, with his parents, in 1936, during the Spanish Civil War. Yesterday, his co-workers demonstrated before the Mayoralty. A new demonstration, called for by the municipality, is planned.

Is this a case of mistaken identity? Possibly. What is certain, however, is that the four-man commando unit that committed the kidnapping went there

well prepared to pull off a raid. In the automobile driven by Pedro Sanchez, which was intercepted at the Dancharia border checkpoint (certainly not long after dropping off the other three men and their hostage so that Sanchez could pick them up again on the other side, in Spain), police found a truncheon, a blackjack, binding straps, a cartridge of nerve gas... and photos of a young Basque woman, [Maria] Jose Urtiaga Martinez.

Coincidence? In its Monday issue, the Spanish daily DEIA published Urtiaga's photo together with those of four other refugees (one of whom was Txomin, who in 1979 had escaped an attempt on his life at Anglet and who was released last March after 8 months of imprisonment in Bayonne). Five photos to illustrate an article on the 400 "terrorists" wanted by the Spanish police and refuged abroad. In France or in Latin America...

What the Committee of Basque Political Refugees in France deems a certainty is that this "new aggression is the work of the Spanish cloak-and dagger men." This time, they are not police officers. The methods are changing. The objective remains the same. On 18 October, the police themselves came to Hendaye, on a "special mission." They had run down a refugee riding on his motorbike, Larretxea Goni, and, it appears, tried to get him to enter their vehicle. They have been in jail since that date, at Pau, charged with premeditated assault and battery.

Already, during the night of 15-16 October, at Bayonne, two alleged members of the ETA's politico-military branch had disappeared. A few hours before, an automobile had been spotted carrying members of the San Sebastian civilian police.

This time, however, those involved are no longer Spanish police--subject to identification of the other members of Sunday night's commando unit--but at least one French operator is involved. A former lance-sergeant of the Legion who is said to belong to the extreme Right of the Basque coast. Financed by the Spanish police? Unless he was being used by the "Spanish Basque Battalion," an organization that has claimed responsibility for 20 assassination attempts against refugees since 1975.

The frequency of police incursions into French territory and of incidents involving refugees during the past several weeks attests to the edginess of the Spaniards with regard to anything that touches on the Basque problem. On the other side of the border, more than ever, the French Basque country is considered to be the "sanctuary" from which all actions are being launched and which serves as a refuge after the actions. One man puts this extreme edginess in very clear terms: Ricardo Garcia Bamdorenea, one of the leaders of the Basque Country's PSOE [Spanish Socialist Workers Party]. In an interview given to the periodical DIARIO 16, he puts the blame squarely on the French population as a whole, accusing it of "backing, sheltering in their midst, feeding and protecting the assassins." He then calls on the French to choose "whether they are with the Spaniards or with the terrorists." And, in this interview, calls on the French government "to expel the terrorists from France and authorize the Spanish police to take action on French soil"....

Demonstrators Blame Gonzalez, Mitterrand

Paris LIBERATION in French 8 Dec 83 p 4

[Text] A telephone call proposing the exchange of Marey-Segundo, kidnapped Sunday night in Hendaye, for the release of the four Spanish police jailed in France was received Tuesday by the Red Cross in San Sebastian. A man speaking deliberately from a coin telephone booth delivered this offer, setting a 48-hour deadline for a reply. A sick joke or a totally genuine overture? On the part of the investigators, nothing but the most absolute silence: All they will say is, "We are leaving no stone unturned."

Meanwhile, Marey-Segundo has still not reappeared. (See LIBERATION of 6 December). "You have very little chance of finding him alive," Pedro Sanchez, the former legionnaire who was stopped at the border together with four other persons when he tried to cross over into Spain, is said to have told the police. Found in the trunk of his car were truncheons and photos of a leader of the Spanish Basque organization ETA [Basque Fatherland and Liberty Group]. He was charged Tuesday night with "complicity in an unlawful arrest and with kidnapping of persons," and jailed in Bayonne. He totally denies having taken part in the matter, declaring that on the day of the events in question he was in Biarritz. In the 2 days he has been in custody, it has not been possible as yet to verify his statements.

The kidnapping in Hendaye has been deeply resented in the Basque refugee community in France. Tuesday evening, close to 150 of them demonstrated, in Hendaye and up to the Franco-Spanish border. The demonstrators shouted "Gonzalez, murderer, Mitterrand, accomplice." For, there is hardly any doubt in the minds of these people that the secret agreements binding on both sides of the Pyrenees are in the process of being implemented. The objective, as they see it, is to reduce the Basque refugees to silence.

In France, the Ministry of Interior refuses to make any comment. In Spain, the press continues to speak disparagingly of French "laxism."

Fear in Basque Area

Paris LIBERATION in French 10-11 Dec 83 p 9

[Article by Eric Favereau: "Hendaye: Fear in the City After Kidnapping of 'Mr Everyman'"]

[Text] Is the "dirty war" being waged by the Spanish police and cloak-and-dagger men now being fought on French soil? The refugees of the South, who argue that this is indeed the case, sound all the more convincing to the Basques of the North when a Frenchman "like Mr Everyman" is kidnapped without any apparent motive.

Hendaye (via Special Correspondent)--Every day, at noon, some 20 persons gather in front of the Hendaye mayoralty. The mayor is there; and, on the

other side of the plaza, Alfonso Segundo Marey's colleagues and friends. "No! No news! Gaston Defferre will perhaps receive me on an official visit ...," admits Raphael Lafalette, the young socialist mayor. What else? Nothing. Yes: The little group will return tomorrow. "What is going on is too serious," blurts an embittered inhabitant.

Hendaye is perplexed. Adjoining the Spanish border, this big village, deserted by the tourists in winter, feels forsaken, ignored, indeed lost. "How many deaths will it take to interest Paris? Three persons have already disappeared. Is that not enough? Even the Armenians are receiving better treatment than the Basques," says a deputy mayor. "Before this, we had become somewhat accustomed to this feeling of being virtually outsiders. But now, today, we have had enough of it." The kidnapping of Segundo-Marey is the drop that has overflowed the town's cup of anger and of fear.

This kidnapping is senseless; either that, or it has a sense of its own that is very different from that of the others. In any case, this kidnapping is throwing a pall over everything. For, Segundo-Marey is not a Basque militant; not even a refugee. No, he is a placid sort of man, the local image of contentment. His father, who was closely linked to the communist party, had fled the war in Spain 30 years ago and managed at the same time to bring his entire family over the pyrenees, Segundo-Marey has not left here since then. A calm, dispassionate life. "He's a Hendayan, that's all, like the rest of us," says the mayor irritably. He almost personifies the region. Past 50, married, father of three children, nothing in his history evokes the image of a double life. "When would he ever have had the time?" asks his wife. A salesman by occupation, he covers Hendaye and its surrounding areas, selling furniture. His pastimes? Playing in the municipal band. That is all; then at night he returns to his little, very unpretentious home a few hundred meters from the center of town.

It is Sunday 4 December, 2030 hours, and the television set is on, of course. The doorbell rings. "Naturally, I went to open the door," Mrs Marey recounts. "Is that your automobile over there? I have damaged it," said a voice through the doorway. Then, everything happened. She received a stream of tear gas aimed at her face, then collapsed. As she rose to her feet again, she saw her husband being taken away forcibly in a [Peugeot] 504. In what direction did it head? Spain, of course!

Dumbfoundment. "Worse than a sledgehammer blow," says Segundo-Marey's daughter. Unbelievable, beyond understanding! "It can only be a mistake," she repeats, to the point of exhaustion. "But look all around here! My father was not a militant. We have even been going to Spain on vacations."

The difference is a vast one, in that, on the other hand, the Basque nationalists and the political refugees living in the Pyrenees Atlantique Department are obsessed by the fear of kidnapping. They are suspicious, look twice before opening their door, and when they go to enter their car, they never forget to look underneath its body. And there is every reason to be so!

Since October, it is estimated there have been some 10 attempted kidnappings. The most famous, and in some aspects the looniest, was that of 17 October. In the heart of Bayonne, in an "unmarked" car, four individuals created a traffic accident by running into a motorbike. A French policeman passing by discovered that the four individuals were Spanish policemen. And not just anyones! They were members of the operational counter-terrorist groups. As for the motorbike's rider, he was none other than one of the leaders of the politicomilitary arm of the Basque organization ETA. The four policemen were arrested, then charged with "voluntary and premeditated assault and battery." They were finally released on Thursday. (See yesterday's LIBERATION).

Two other alleged members of the ETA were not so lucky. They disappeared from their homes during the night of 15-16 October, and have not been seen since. More recently, two new attempts are said to have taken place last week at Saint-Jean-de-Luz. A cloak-and-dagger war, a "dirty war" as it has been baptized on the other side of the Pyrenees to justify this type of operations. Their perpetrators have been varied. In some cases they may be policemen on very special missions; in others, firebrands; in the recent trouble in Biarritz, former members of the OAS [(French) Secret Army Organization] in search of a mission; or ruffians of the milieu itself. But the target is always the same: Persons known for their ties with the different ETA groups, lists and organization charts of which are published regularly in the Spanish press.

But this time, the stakes are different. Was it just a flash in the pan, or is it a new phase? Alfonso Segundo-Marey is not one of their targets, appearing on any organization chart, true or false: "What has happened to him can happen to any inhabitant of Hendaye," repeats the mayor, who customarily is very careful not to get worked up over matters of this type. The sole "accusation" that could be leveled at Segundo-Marey is that he worked with a company, namely, SOCOA [expansion unknown], that is considered sympathetic to the Basque cause. But there again... "He kept aloof from it. He never talked about the Basque problem," says the manager of the SOCOA. "If they picked on him, it is because they wanted to spread fear," he asserts. "Remember the machine-gunning of the Bar Hendayais in 1979." (Two customers were killed that day simply because they were patronizing this cafe, which was a meeting place of the Basque militants).

Very soon it will be 1 week since Alfonso Segundo Marey disappeared. Barely 10 hours after he was kidnapped, the police arrested a former legionnaire at the border, namely, Pedro Sanchez, 49, who was driving a 504. Investigators found truncheons and some descriptive photos of Basque militants in his car. "I do free-lance reporting," was all he would admit. He was charged with complicity, unlawful detention and kidnapping of persons. He is the very prototype of the cloak-and-dagger agent. He allegedly had ties with the now defunct SAC [(French) Civil Action Service] and, in any case, is identified in police files as "a person capable of carrying out a kidnapping." He vigorously denies everything.

"We stand very little chance of finding the kidnap victim," echo the investigators, who are maintaining total silence on the matter. Segundo-Marey's family, for its part, is becoming impatient. It is running around like mad, telephoning all the ministries in Paris, and even the Spanish government.

"And yesterday, as every day, some 20 of his fellow-workers came to the Hendaye mayoralty for the latest news."

Spanish Police, Segundo-Marey Freed

Paris LIBERATION in French 15 Dec 83 p 18

[Article by Eric Favereau: "Surprise Return of Hendaye Kidnap Victim"]

[Text] A mysterious "Anti-Terrorist Liberation Group" [GAL] speaking an approximate French claims responsibility for this kidnapping which fortunately has ended happily but which apparently still makes no sense.

He was no longer expected back alive. He had disappeared, kidnapped one Sunday night at his home in Hendaye, Pyrenees Atlantiques. No one could understand why, but everyone acknowledged, under his or her breath, seeing little or no reason to hope. Some day, he would be found, dead, somewhere along the road between France and Spain.

Yesterday morning, however, Alfonso Segundo-Marey, 51, was freed by his kidnappers. A telephone call: "Hurry up! It's cold..." He was found in a quarry, at Dancharia, not far from the Franco-Spanish border. Tired, blindfolded. Even he could not bring himself round to believing it. "During his 9 days as a captive, he had to pinch himself to be convinced that all of this was actually happening," recounts one of his daughters. At the same time, a mysterious "GAL" claimed responsibility for the operation, threatening France with new reprisals.

An astonishing story, this apparently senseless kidnapping. Alfonso Segundo-Marey somewhat personifies Mr Everyman. He has no ties with the political refugees. He leads a quiet life. A salesman, married to a Frenchwoman, father of three children, he has lived in Hendaye since 1936. His favorite pastime is playing with the municipal band. His only link to the "Basque problem" is the company for which he works: The SOCOA [expansion unknown] is a company known to be employing several former Spanish refugees. It is a rather weak link. A further proof of his "innocence." As a regular thing, over these past few months, Basque militants have been kidnapped or have undergone attempts of a similar nature. Alfonso Marey has not rebelled against these incidents. No. for him, these are settlements of accounts that in absolutely no way concern him.

On Sunday 4 December, the unbelievable! As he watches television together with his family, the doorbell rings. Some seconds later, he is being dragged forcibly into a 504, which then disappears, headed toward Spain. During the

night, the border police arrest an individual, Pedro Sanchez, former legionnaire, all the trappings of a cloak-and-dagger operator. He is charged with "complicity in unlawful arrest and with kidnapping of persons." In Hendaye, total bewilderment. Everyone, from the youthful socialist mayor through the businessmen to the inhabitants of the town, is astonished. "It is senseless. It must be a mistake," the mayor repeats. In Basque circles, some see in it a Machiavelian strategy on the part of Spanish paramilitary groups. The objective, according to them, is as clear as the nose on your face: To spread fear among the French Basques. It must not be forgotten that Madrid is convinced the problem of Basque terrorism would be speedily resolved if France would only deign to cooperate a little more. Others, on the other hand, are prepared to assume it has to do with a settlement of accounts within the ETA [Basque Fatherland and Liberty] the Basque autonomist organization. Everyone, however, fears the worst. "No one knows the reasons, but everyone knows how these things always end."

And so the days went by. Several claims. Crank calls, according to the investigators. Some cited the "revolutionary tax" the ETA is said to levy, accusing Segundo Marey of being one of its collectors. Others mentioned the jailing of the four Spanish policemen, charged with the attempted kidnapping of a Basque refugee on 17 October. "Free the policemen and we will give you the hostage," said an anonymous voice to the Red Cross in San Sebastian. Then, a convergence of circumstances: On 9 December the Court of Appeals at Pau released the four Spanish policemen. But in Hendaye, hope had already been abandoned. The police expected a macabre discovery. As usual.

Yesterday morning, the heavenly surprise. An amazing first for this type of kidnapping. The hostage was freed. Safe and sound. Tired and remembering nothing. "My father remained in one place throughout his detention," says his daughter. "He was blindfolded at all times. But he was never beaten." His nourishment consisted of milk and bananas. "That's the whole story," says his daughter. "He had no discussion whatever with his kidnappers. He can't even remember if the few words he did exchange with them were in French or in Spanish. He is still in a state of shock." In Segundo-Marey's pocket, the kidnappers took pains to leave a note. It was signed; there again: "The Anti-terrorist Liberation Group," a heretofore unknown organization. The note was written in an approximate French, as if it had been loosely translated from Spanish: "Because of the increase in assassinations by the ETA on Spanish soil, we have decided to put an end to that situation... We will respond to each action by the terrorists with an appropriate reprisal. We hereby make known our intent to attack French interests in Europe, since that government is responsible for harboring terrorists... As witness to our good will, and convinced of its appropriateness to the French Government's gesture in having released the four Spanish policemen, we are releasing Segundo-Marey, who was arrested by our organization because of his collaboration with the terrorists."

A literary production that leaves one perplexed. Ordinarily, in matters of this type, long explanatory speeches are totally unnecessary. Was it a case of trying to right an error? "Or," insinuates one Basque refugee, "were there some covert negotiations?" Will Alfonso Segundo-Marey, once the shock of his return has passed, perhaps be able to help clarify some of the unanswered questions?

9238

CSO: 3519/156

ANTI-TERRORIST LIBERATION GROUP GAL CLAIMS BASQUE MURDER

Paris QUOTIDIEN DE PARIS in French 21 Dec 83 p 25

[Article by Pascale Nivelles: "Malaise in Basque Country"]

[Text] Following the murder of a Spanish Basque refugee in Bayonne, with responsibility for it being claimed by a counter-terrorist group, the "truce" that has been observed in the Basque Country over the past 2 years seems to be shattered...

The execution of a Spanish refugee in a Bayonne bar could be the first act in a new counter-terrorist wave in the Basque Country. Over the past several months, in addition to incursions into France by Spanish police, two refugees have disappeared, and new arms caches have been discovered, breaking the tacit truce that has been observed since 1981.

On Monday at 1930 hours, Ramon Oniaedera, nicknamed "Cacho," was alone at the cash register of the Ostatu Kayetenia, a bar in the old quarter of Bayonne patronized by Spanish Basque refugees, where he had been a part-time waiter for the past year. The last customers had just left and he was facing the door, when suddenly an armed three-man commando unit appeared and fired at point-blank range. "Cacho" was also armed and had time to retaliate with one shot at his aggressors, then fell to the ground, mortally hit by three 9-mm bullets. The murderers disappeared immediately in a car registered in Navarra (Spain), which had been seen in the street by several witnesses prior to the shooting. Since no one nearby heard the fusillade, the weapon must certainly have been equipped with a silencer. The execution of the refugee, an alleged member of the ETA [Basque Fatherland and Liberty] military faction, was claimed late Monday night, in a call to the office of AFP [AGENCE FRANCE PRESSE] in Madrid, then one on Tuesday morning to the daily SUD-OUEST, by the GAL [Anti-Terrorist Liberation Group]. A brief statement was read by the caller, in French with a Spanish accent, as follows: "The GAL claims responsibility for the execution of the ETA military arm terrorist Jose-Ramon Oniaedera. This action is part of the line of systematic attack against the terrorists of the ETA that we are going to follow to a conclusion in France during the coming weeks. The assassinations committed recently in

the Spanish Basque Country are going to be answered with a firm response. Today's execution is but the beginning, and we will deal in like manner with the Frenchmen who harbor, cooperate with and give work to the terrorists."

'Blow for Blow'

The GAL, an unknown organization until recent weeks, announced itself recently claiming responsibility for the kidnapping of the Spanish inhabitant, Segundo Marey, seized in his home on 5 December and held for 9 days. The GAL stated at the time "its intent to respond blow-for-blow to the ETA's violence, threatening French interests and French public figures in Europe."

Yesterday, in Bayonne, a wave of agitation swept over the Basque community (some 1,000 Spanish refugees), which gathered during the morning hours in front of the Spanish Consulate for a spontaneous demonstration. Around 1900 hours, the Ostatu Kayetenia, the bar in which the murder took place, in the heart of Bayonne's Spanish quarter, was the point of departure of a rally, planned in response to a call from the refugee organizations and French autonomist movements.

A Series of Bloodlettings

Is the Basque Country on the verge of a new counter-terrorist wave, shattering the implicit truce that has been observed since April 1981? While the intelligence-gathering missions of the Spanish services on French soil have continued on an ongoing basis, physical actions against Spanish refugees living in France had ceased after a series of bloodlettings ending in 12 murders and 2 kidnappings, committed between 1978 and 1981. Following the disappearance of two Spanish refugees from Bayonne on 15 October, the attempted kidnapping of Larrtxea Goni 2 days later, and the kidnapping of Segundo Marey, the refugee community has been living in fear of a resumption of the "dirty war" of intensive counter-terrorism.

Repugnance

In addition, the arrest of four Spanish policemen in Hendaye in October, as they were about to kidnap an ETA militant, planted doubts in the minds of the community. Certain Basque militants accuse the French police of complacency toward their Spanish counterparts. The French police on the Basque coast resent this situation all the more bitterly in that they are the first to suffer on account of the French Government's indulgence toward the Spanish terrorists.

Moreover, certain police officials acknowledge that those responsible for maintaining order in France shy away from the idea of radicalizing the struggle against terrorism. It is understandable, therefore, that the French policemen tend not to manifest excessive zeal against the incursions by their Spanish counterparts, which are illegal but effective.

Actually, the French authorities are paying now for 40 years of ambiguity. Under the Franco-ist regime, France was a sanctuary for refugees who opposed that regime. Among these refugees, a certain number of Spanish Basques continued at times to take part in the armed struggle on the other side of the Pyrenees. Today, the socialists are in power in Spain, but this has not helped to settle the Basque problem. And France is discovering that the French Basque Country can itself also become a theater of terrorist operations. The principal Spanish Basque militants refuged on the French side of the border are known and documented. But obviously, they cannot be apprehended unless and until they commit an unlawful act on French soil. Hence the ambiguous attitude of the French authorities, who do not intervene except in the event of force majeure, as, for example, when four Spanish police organize a conspicuous kidnapping in the very center of Hendaye. All of this, to the dissatisfaction of all: That of the French Basques (and of the Spaniards refuged in France), who accuse France of letting Madrid's commandos operate here; that of the French police, whose instructions remain vague; and that of the Spanish Government, which knows that one can find refuge in France after having perpetrated bloodshed on the Spanish side.

9238

CSO: 3519/156

GONZALEZ CITES ULTRA-RIGHT SPANISH POLICE FOR GAL ACTIONS

Paris LE CANARD ENCHAINE in French 28 Dec 83 p 2

[Article: "Sour Notes From the 'Contra-Basques'"]

[Text] "The assassinations of Basques in France are the work of ultra-rightist Spanish police whom we do not control." This, in substance, is what Felipe Gonzalez, head of the Spanish Government, stated to Mitterrand and to Mauroy during his recent visit to Paris.

Gonzalez came to France to talk about Europe and about Spain's entry into the Common Market. He took the opportunity, however, to discuss the thorny Basque problem. Indeed, it is a pressing one. On 19 December, on the eve of his arrival, a militant of the ETA [Basque Fatherland and Liberty] was assassinated in a Bayonne cafe. The work of real professionals: Three 9-mm bullets fired by unknowns and a few hours later authorship of the murder was being claimed by the mysterious GAL [Anti-Terrorist Liberation Group]. The same group that, on 5 December 1983, acknowledged having kidnapped a Spanish refugee residing in Hendaye.

In the Basque Country, north as well as south of the border, everyone is convinced that all of these operations are being carried out by Spanish cops. On 17 October 1983, four of them stupidly let themselves be pinched while trying to kidnap a Spanish Basque who has been refuged in France for the past 9 years and who is considered by some to be a leader of one of the ETA groups.

Felipe Gonzalez explained to his French interlocutors that his government is virtually powerless to deal with the initiatives of its cops. The ultra sectors of the armed forces and of the police still dream of a new putsch, he added, and the actions being carried out in France against the Basques of the ETA may well be part of that same end.

It is a classic cycle: Police counter-terrorism responds to ETA terrorism, triggering ETA reprisals against the Spanish military and police. And all of this can be serving the interests of a nostalgic and "up-in-arms-over-the-Spanish-socialist-government's-laxism" military.

It is to avoid rousing the beast that Felipe Gonzalez has abstained from condemning the incursions by his officials in French territory. Indeed, the head of the Spanish Government went so far as to ask a little favor--ungranted--of his friend Mauroy: That the Basque refugees in France be required to reside distant from the border. A measure that has already been applied in other times, but without success.

And, just to see what would happen, what about requiring the Spanish cops, instead, to reside far-removed from our borders?

9238

CSO: 3519/156

GOICOETXEA SHOOTING BY GAL CREATES NEW TENSIONS

Paris LIBERATION in French 30 Dec 83 p 6

[Article: "Pyrenees No Longer Exist for Anti-Basque Terrorists"]

[Text] The shooting of ETA [Basque Fatherland and Liberty] militant, Miguel Angel Goicoetxea Elorriaga, in Saint-Jean-de-Luz on Wednesday, has exacerbated the tension created by the assassinations the GAL [Anti-Terrorist Liberation Group] claims to have authored. The action of this "anti-terrorist" group also threatens to envenom relations between Paris and Madrid.

An anonymous caller has claimed responsibility in the name of the GAL for the shooting, Wednesday night in Saint-Jean-de-Luz, of an alleged ETA-M [Basque Fatherland and Liberty] militant. "The battle against the terrorist nationalists will continue in the south of France," the caller stated by telephone to the Spanish press agency EFC. "No active member, collaborator or sympathizer of the ETA will be able to escape our vengeance," he added, then concluded with the following warning: "Next week will see the beginning of actions against the French structure that is shielding the terrorists."

Miguel Goicoetxea Elorriaga was shot Wednesday around 2030 hours, in the street near his home. Two men, who escaped in a car, fired several shots, one of which struck Goicoetxea in the back of the neck. The victim was hospitalized in Bayonne, then in Bordeaux, in very serious condition.

About 1-and-1/2 hours later, at some 10 kilometers from Bayonne on the Hasparren road, a green Datsun, bearing a false licence plate, forced its way through a gendarmerie barrier. Its license plate markings corresponded to those of the getaway vehicle used by the murderers.

This shooting has created new tensions in the region just 1 week after the violent confrontations in Bayonne, which followed in the wake of the assassination of another Spanish Basque refugee. Again, it was the GAL that claimed responsibility for that action, after having, on 6 December, kidnapped a Spanish resident in Hendaye. The latter, Segundo Marey, was freed safe and sound 9 days later. Found in his pocket was a message from the organization, which until that moment had been unknown to the French police, threatening France and French interests abroad.

For Commissioner Alain Tourre, appointed on 18 September to the office of coordinator of police forces in the Pyrenees Atlantiques region, the investigation concerning this new terrorist cell promises to be a difficult one. The police are not excluding the possibility that operating behind the GAL logo there may be hit-men recruited in France and in Spain by the extreme Right, as well as a network remotely controlled by the Spanish secret services. The latter hypothesis is formally denied by Rafael del Rio, the director general of the Spanish Police, according to whom no connection whatever exists between his country's authorities and the GAL.

What is certain is that the shooting of Miguel Goicoetxea Elorriaga, alias "Txapela," does absolutely nothing to improve relations between Paris and Madrid, and was clearly not one of their crying needs. The status of the ETA refugees in the Pyrenees Atlantiques was one of the top items on the agenda of the "private" meeting between Mitterrand and Gonzalez last week. On the French side, there is open suspicion that the "anti-terrorist" group is in part connected with the Spanish Police. But Madrid prefers to shrug its shoulders and remind the French that all of this would not be happening if Paris would cooperate fully with Madrid to "clean up" the southwest, ridding it of ETA leaders. In short, the dialogue of the deaf continues, and the escalation of violence we are now witnessing augurs ill for Franco-Spanish relations, despite the meant-to-be-reassuring official statements being exchanged between them. Be that as it may, the French Government considers Wednesday's shooting to be a "particularly serious" matter and is awaiting the findings of the investigation to react.

Some 800 Spanish Basques have fled their country in recent years, to take refuge on French soil, beyond the reach--or so they had thought until very recently--of the Spanish Police. According to various corroborative reports, at least half of them are grouped in what the Spaniards have become accustomed to calling "the sanctuary" of the ETA, that is, the region of Bayonne, Saint-Jean-de-Luz, Hendaye and Biarritz.

Designated in France by the term "refugees," these Basques are actually, from the juridical and administrative standpoint, living in France as voluntary exiles from their own country. Only some 10 of them have political-refugee status, which the French authorities grant only if the interested person can demonstrate that he or she is actually the victim of a persecution in his or her own country. This is obviously very difficult to do in the case of Spain, even though the "Etarras" [members of the ETA and its sympathizers] are in the habit of describing post-Francoist Spain as if it were Pinochet's Chile...

Basque pro-independence circles, however, attach maximum importance to retention of the term "refugees," which, generally speaking, tends to predispose public opinion abroad in their favor. On the other hand, the Spanish Government, which is perfectly aware of the importance of this terminology battle, prefers to encompass the entire battle within the terms "criminals" and "assassins."

Yesterday's demonstration following the special session of Saint-Jean-de-Luz's municipal council accurately reflects the local population's exasperation, which is shared by socialist Deputy Jean-Pierre Destrade: "My position," he declared, "borders on asking Paris to halt all negotiations with Felipe Gonzalez's Government on increasing the membership of the EEC, until we have formal guaranties with respect to intrusions by the Spanish Police on French territory. The Spanish minister of interior does not admit to any official activity within the GAL on the part of his police; but, on the other hand, he does not deny it. We know perfectly well that the GAL is a camouflaged emanation of the Spanish Police."

As for the wife of the gunned-down pro-independence militant, she affirms: "We are constantly at the mercy of an extradition or of being placed under forced residence."

9238

CSO: 3519/156

SPANISH POLICE VIEW GAL VICTIM AS MAJOR ETA FIGURE

Paris LIBERATION in French 30 Dec 83 p 6

[Article: "Txapela: 'Big Game' for Spanish Police"]

[Text] Miguel Angel Goicoetxea Elorriaga, known as "Txapela," the victim of the shooting in Saint-Jean-de-Luz and seriously wounded by five bullets to his head, is considered by the Spanish Police to be one of the most important and the most dangerous of the members of the Basque pro-independence organization ETA-M [Basque Fatherland and Liberty-Military Group]. The magazine TRIBUNA POLICIAL, in July 1980, listed him among the 10 principal "ETA executioners"...

Officials of the counter-terrorist struggle cite him as one of the principal leaders of the ETA's action-commando units and accuses him of 23 murders, including that of the young, 23-year-old, police inspectress, Maria Jose Garcia Sanchez, which took place on 16 June 1981 at Zarauz (Basque province of Guipuzcoa).

Interviewed Wednesday evening on a Madrid radio station, the director general of the Spanish Police, Mr Rafael Del Rio, described Miguel Angel Goicoetxea as "one more criminal among the many criminals that are proliferating in France." He also denied categorically that the Spanish authorities are in any way connected with the GAL [Anti-Terrorist Liberation Group], which claimed responsibility for the shooting shortly thereafter.

Born in Baracaldo (province of Biscay) in 1956, "Txapela" left Spain with his family in 1972, following the death of his older brother, Tomas, during a shootout with the Civil Guards while trying to cross the border. He quickly entered into contact with the ETA and, according to the Spanish Police, received special training in Algeria in 1976 or 1977.

Arrested twice by the French Police, he was one of the group of 16 "Etarras" [members or sympathizers of the ETA] confined by the French Ministry of Interior in a hotel in Valensole (Alpes de Haute-Provence) during the legislative election campaign in March 1978.

During that period, the Spanish authorities applied to France for his extradition, but in vain. Despite his youth, Miguel Angel Goicoetxea's "service records" bulged with more entries than those of most of the so-called "historic" members of the ETA-M.

According to the daily EL PAIS (independent), there is not the least doubt that this shooting represents "a direct attack on the heart of the ETA-M" and that "its authors proved they are extremely well-informed on the movements of the ETA terrorists refuged in France."

9238

CSO: 3519/156

RPR BASQUE MAYOR, ETA FOUNDER MADARIAGA ON GAL ACTIONS

Paris LIBERATION in French 30 Dec 83 p 7

[Article by Jean-Paul Cruse: "Basque Country Vents Grief and Anger"]

[Text] In Saint-Jean-de-Luz, 2,500 persons demonstrated yesterday in solidarity with Txapela who lay in a coma at the time in a Bordeaux hospital. They listened to the fraternal speech by RPR [(French) Rally for the Republic] Mayor Ithuralde and the accusations leveled against the French authorities by one of the founders of the ETA, Iulen Madariaga.

Bayonne--Christmas is spring-like on the shores of the Adour. It is warm. Everyone walks about in T-shirts. From the bridge, everything resembles a pastel: The grayish blue of the very quiet waters, the greenish gray of the distant rolling hills of the Pyrenees thrusting upwards, the pale ochre of the ancient walls of Izarra, and the faded red of the tile roofs.

To breathe the air of war and not that of peace, to sense physically the reality that some 1,000 refugees from the "south" are living here at this very moment, in fear and hatred of those Argentine-style "death squads"--from this side or that side of the Pyrenees, it matters not--one must walk a few steps away from the business center, and worm one's way through the very narrow streets of "little Bayonne," where Ramon Oniaderra died last week. The cafes, which are not all "Batzoki[s]" ("establishment(s) combining cafe, bazaar and general meeting-place all in one, something a bit more than just a business-type cafe..."), are closed at times. Others are open. But on a day like today, the groups of men, aged 30 to 40, standing in front of the entrances, are not speaking French, and they let you know it by a hard glance before you have even tried to address a word to them.

In "little Bayonne," anger is running skin-deep.

RADIO ADOUR. Bayonne's free and Basque radio station with its own premises.

It has been on the go since last night around 2015 hours--curiously, police checkpoints had been in place since 1630 hours, but possibly on a search for

drugs--when it learned that an ETA-M [Basque Fatherland and Liberty-Military Group] refugee had been gunned down in front of his home in the lake city of Saint-Jean-de-Luz "by two men on motorcycles."

Now known not to have been motorcycles. A green Datsun, instead. But it has now been denied that the car, having run through a police barrier, was later spotted inland around Cambo. The fact is that eyewitnesses of the events are scarce and confused. The only thing well established is that Txapela, after having gone through a "clinical death" stage, is presently in a deep coma. No operation is planned if he does not come out of this coma--in any case, not within the next 2 or 3 days....

The scoop item of the day is the interview with the mayor of Saint-Jean-de-Luz, Mr Ithuralde, an RPR [Rally for the Republic], by the little RADIO ADOUR team. This venerable old Basque defended with unexpected vigor the "Basque refugee cowardly struck by bullets"--a man whom the RPR would ordinarily have called a "terrorist" (a well-known ETA figure, Miguel Goicoetxea could not under any circumstances be considered a mere anonymous sympathizer of the Basque cause...). Unhesitatingly, however, the mayor of Saint-Jean-de-Luz stated that "Many Basques have refugee status. Others have found asylum in our region. The French Government is obligated to provide security for them all. It is unacceptable that a climate of summary justice and settlement of accounts be instituted. I urge that all necessary steps be taken to ensure that the laws of hospitality are complied with. I also urge that the French Government take up with the Spanish Government and with the Basque Government a possible general amnesty, through which a climate of fraternity and reconciliation can be created, in the spirit Pope John Paul II has on many occasions sought to bring to bear."

This was indeed something new. Also new was the sight of Mr Ithuralde, leaning on his cane, taking his leave, with a simple and big "Agur" (Au revoir), of the some 2,500 grave, sombre and silent demonstrators who had gathered over the past 24 hours to parade in the streets of Saint-Jean-de-Luz--before assembling in front of the exit of the Municipal Council Building--chanting "Gonzalez Hiltzaile, Mitterrand Laguntzaile" (Gonzalez Assassin, Mitterrand Accomplice). At that moment, one witnessed an impressive scene: Perched atop a sort of dais framed with Christmas trees and garlands of colored lights--all Saint-Jean-de-Luz was illuminated with them--stood an aged man with thick eyeglasses and gray moustache. He began, not haranguing the crowd, but speaking to them softly, almost in a whisper, amid a total silence. Leaning forward as if to chat with them privately was Iulen Madariaga, one of the historic founders of the ETA, now "retired". ... "Gora Txapela" [Long live Txapela] was heard, then the man, who had spoken without straining his voice, framed between the two Christmas trees, paused. And from the silent plaza there welled: "Gora ETA Militara" (Long live the ETA-M). Later, Madariaga chaired a press conference on the premises of Anai Artea, accompanied by attorney Christiane Sando, anonymous and unphotographable refugees, and the wife of Txapela. "It is unquestionable that without the collabora-

tion, without the complicity of the French authorities, Police and sub-prefect, these gangs of assassins, of Spanish hoodlums, could not act as they are doing with total impunity," said the founding father of the ETA.

9238

CSO: 3519/156

BASQUES SUSPECT SPANISH CONTROL OF FRENCH MERCENARIES

Paris LIBERATION in French 30 Dec 83 pp 7, 8

[Article by Charles Auber: "French 'Mercenaries' for the GAL?"]

[Text] Both in the case of Ramon Onaederra, the "Etarra-Militaire" [member of the ETA-M [Basque Fatherland and Liberty-Military Group]], killed in a Bayonne cafe on 19 December, and in that of Miguel Goicoetxea, seriously wounded Wednesday night in Saint-Jean-de-Luz, the suspicion of a "French connection" is gaining more and more strength among the Basque refugees as efforts continue in the hope of determining who could have committed these acts.

Neither on Monday 19th nor on Wednesday 28th was any suspicious border crossing recorded immediately subsequent to the committing of the two crimes nor thereafter. In each case, police barriers and checkpoints were set up immediately under the "Eclat" plan, without results.

On the 19th, three cars registered in Spain were definitely spotted on the Cambo highway, between Bayonne and Saint-Jean-Pied-de-Port, but not a trace of their having turned up at the border. Likewise, on Wednesday night a green vehicle bearing false license plates ran through a barrier in the same sector (the gendarmes think it was a case of a speed merchant who failed to see them), without there being any record of its having crossed the border into Spain...

Does this mean the authors of these shootings remained in France once they had accomplished their mission? Are they awaiting a more propitious moment to return to Spain? Or is it a case of their never having come from Spain but rather of Frenchmen operating on their own soil, in the pay of Spanish sleeping partners?

After the most recent shooting in Saint-Jean-de-Luz, the Spanish daily DEIA (published in Bilbao, in Euskadi [Basque Country]) cites eyewitness reports from refugee circles indicating that the two individuals who shot Miguel Goicoetxea "appeared to be Frenchmen" and were not Spanish types. The precision of their shooting (unless it was a matter of chance) led witnesses to believe that Miguel Goicoetxea was up against "professionals."

This could mean that the Spanish authorities might be giving up on sending their police into French territory on "information missions"--as in the case of four of them in Hendaye on 18 October who were held for questioning in connection with an "accident" they had with a Basque refugee--and having others do the work for them. The Spanish authorities? At least, certain elements of their police, or the ultra Right, or indeed even an organization of businessmen who are fed up with having to pay the "revolutionary tax"...

If this is the right "compass reading," it is certainly within French circles that the sleeping partners would go seeking their "professionals." Perhaps on the Basque coast, in Paris or in Southern France, or even in Bordeaux, which appears to be the seat of a huge arms traffic. In any case, it was from Bordeaux that on 13 September 1979 a 5-man commando unit, four of whom were Bordeaux gangsters led by a certain Szonek, departed, which gunned down a refugee, Justo Elizaran Sarasola, in Biarritz. Here again, the commando unit arrived on the Basque coast in a vehicle bearing a false registration. Its members were questioned after their hit and condemned to 15 years in prison.

Is there a link between these circles and the Spanish ultra Right? Hard to tell. The only point they appear, for the moment to have in common would seem to be in the person of Pedro Sanchez, the former legionnaire who was arrested after the kidnapping of Segundo Marey on 4 December in Hendaye. Responsibility for this kidnapping was claimed by the GAL [Anti-Terrorist Liberation Group], the same group that has claimed responsibility for the recent Bayonne and Saint-Jean-de-Luz shootings. Pedro Sanchez, who was employed by the SPS [Protection and Surveillance Company] of Bayonne, was reputed to belong to the extreme Right. But it is also said that he may have had contacts with the ETA in connection with possible arms sales. A jack-of-all-trades, who even served as bodyguard of an apolitical candidate during the last municipal elections in Biarritz. A thin strand, for the moment.

The refugees, having heard the GAL's latest communique, are somewhat disturbed, to say the least. With a sad smile, they confess to living in a constant state of waiting "for the next one of them to fall." And as for the CRS [Republican Security Companies (State Mobile Police)] command cars on patrol, circulating in large numbers these days in the streets of the coast's cities, these do not provide them with a great deal of reassurance.

9238

CSO: 3519/156

GOICOETXEA PHOTO FOUND IN SEGUNDO-MAREY KIDNAPER'S CAR

Paris LIBERATION in French 31 Dec 83-1 Jan 84 p.5

[Article by Jean-Paul Cruse: "The Shooting in Basque Country: Investigation More Hasty Than Speedy"]

[Text] As Miguel Goicoetxea, the Basque militant wounded in Saint-Jean-de-Luz, lay yesterday in very serious condition, his next of kin wondered at police reluctance to seek his aggressors.

Bayonne--"Txapela," Miguel Goicoetxea, the ETA-M [Basque Fatherland and Liberty-Military Group] leader--whose nickname had already been that of his brother, killed in 1972 by the [Spanish] Civil Guards in the Basque mountain, from which the entire family then had to flee to the French side of the border--lies dying in his bed at the Pellegrin Hospital in Bordeaux. The 22-mm bullet--probably a Magnum--which, having been fired from a carbine at a distance of some 10 meters, Wednesday in Saint-Jean-de-Luz, perforated the nape of his neck before lodging in his throat, is not likely to spare him. The day before yesterday, the doctors were still projecting an operation within 3 days if he came out of the coma. Today, they are more pessimistic.

Txapela's next of kin have reconstructed the shooting in precise detail. Having, for a long time, been being followed, "never by the same men: by young ones, old ones, a little of everything," Miguel Goicoetxea, had, as a precaution, recently abandoned the Basque cafes that provided him with regular employment, the very regularity of which nullified any preventive measures he might take for his personal safety. Always on his guard, Txapela, however, never saw his assailants. Hidden in a little lean-to, prior to his arrival, they let him get out of the car with his wife and one of their two little daughters, 1-and-1/2 years of age. They were unperceived behind him, and at quite some distance from him, and fired just two shots. Only one of these bullets struck him. The second, fired from a pistol, was found lodged in a door. The two men, thin and clean-shaven, dressed in black leather, whom Izaskun, wife of the Basque militant, was able to see distinctly, left the site in a blue Datsun.

From the mug files handed her by the PJ [Criminal Investigation Police], the young lady was immediately able to point out one to the police officers. She requested other photos if possible, particularly profile views. The PJ did not appear to react with much zeal. What strikes one, moreover, in listening to Txapela's close kin tell of their contacts with the police in the hours immediately following the shooting, is the exceeding restraint of the efforts deployed by the services concerned to find the assassins, and to head off the next round of murders that has been promised for next week, against the "Basque-loving" economic structures, alleged to be providing support to the ETA.

Txapela's wife saw the pictures of her husband that Pedro Sanchez--the former legionnaire employed by a Bayonne surveillance company, the SPS [Surveillance and Protection Company]--had on his person when the police arrested him in connection with the kidnapping of a Basque militant, Segundo-Marey, a kidnapping for which the GAL [Anti-Terrorist Liberation Group] had already claimed responsibility. This photo, found, that is, in the possession of a Bayonne "bodyguard" shortly before last Wednesday's shooting, is an identification photo of the Basque militant, furnished by him to the French authorities 5 years ago when he had to apply for a temporary-residence authorization. This same photo was furnished to the French authorities recently by the Spaniards, as part of Miguel Goicoetxea's extradition file. As found in the possession of Pedro Sanchez, it had been manually retouched in several versions corresponding to recent descriptions of Txapela: With eyeglasses, without them, with beard, without it, etc... Izaskun asked the police why Sanchez, caught redhanded in the Segundo-Marey affair, had made no statement. "We do not resort to torture," replied one of the police officers.

As for protecting the refugees, "We cannot possibly furnish each of them with a policeman at his or her back," seemed to a PJ man to be an adequate reply. In Bayonne, including the immediate proximities of the establishments or the dwellings that are potential GAL targets, there is actually not a single provision for police protection. This concern with discretion is equalled only by the moderation with which the "Eclat" plan, designed "to seal the entire border," was implemented during the hours immediately following the shooting. Gendarmes signaling the cars to slow down, using pocket flashlights, casting a vague glance over them and from time to time stopping one, just in case...

9238

CSO: 3519/156

SPAIN DENIES GAL KNOWLEDGE, CITES FRENCH EEC OPPOSITION

Paris LIBERATION in French 31 Dec 83-1 Jan 84 p 5

[Text] The Spanish authorities have "no information whatever that would enable them to identify" the members of the GAL [Anti-Terrorist Liberation Group], which has claimed responsibility for the shooting of a Spanish Basque in France on Wednesday, according to a statement made yesterday by a Spanish Government spokesman, Eduardo Sotillos.

In statements made on private radio station CADENA SER, Mr Sotillos denied forcefully that Madrid has any connection with this movement. "The Government defends itself against terrorism by means of democracy," he asserted.

The GAL has taken responsibility for the shooting, on Wednesday night in Saint-Jean-de-Luz (Pyrenees-Atlantiques), of an alleged member of the ETA-M [Basque Fatherland and Liberty-Military Group], Miguel Angel Goicoetxea Elorriaga, 27 years of age.

Asked about the feeling of insecurity that presently pervades Spanish Basque refugee circles in France, the government spokesman said: "That insecurity is something we have sought for some time, but not through practices such as the recent shootings (Author: by the GAL). We have been seeking a juridical insecurity, (Author: which would have been) rendered possible by the French Government, by putting an end to the ETA's sanctuary."

Eduardo Sotillos also reacted to the statements made by Jean-Pierre Destrade, (PS [Socialist Party]) deputy from Pyrenees-Atlantiques, who has accused the Spanish Police of complicity with the GAL and demanded that the French Government break off its negotiations with Madrid on Spain's entry into the EEC. "It would seem that in France the intent is to render difficult Spain's entry into the EEC, using any pretext whatever," said the spokesman.

In another development, clashes took place in San Sebastian Thursday night between the police and some 2,000 demonstrators protesting against the shooting in Saint-Jean-de-Luz. The demonstrators shouted cries hostile to Francois Mitterrand as well as Spanish Prime Minister Felipe Gonzalez and the police, and friendly to the ETA.

9238

CSO: 3519/156

BASQUE BUSINESSMEN OF SOCOA FIRM FEAR GAL ATTACKS

Paris LIBERATION in French 3 Jan 84 p 13

[Article by Jean-Paul Cruse: "Two Managers of Self-Dependent Basque Firm Threatened"]

[Text] They are two managers who have one thing in common: The desire to do nothing but make money. Some accuse them of laundering the revolutionary tax money being collected by the ETA [Basque Fatherland and Liberty] militants. Today, they are living under threat...

The GAL [Anti-Terrorist Liberation Group] was categorical. In its very first communique, the day after the surprise freeing of Segundo-Marey on 10 December, it threatened all those who, from near or afar, aid the Basque refugees. In the goniometric sight of the GAL, the business enterprises around Bayonne that are trying to revive the industry of that region in the image of the potent cooperative system that has been developed on the other side of the Pyrenees. A threat that cannot be taken lightly. In 9 days, two Basque refugees have been assassinated.

Patxi Noblia, 39, a Basque of French nationality, is the CEO [chief executive officer] of SOCOA [expansion unknown], an office furniture manufacturing and marketing firm in which Segundo-Marey is employed and which has already been subjected to pressures for its "pro-autonomist" sympathies.

There is no apparent police surveillance in front of the vast premises just off of Route 10 between Hendaye and Behobie. Heavy padlocked gates and dogs at night. "Among my associates," the CEO acknowledges, "there is a strong sentiment that I should be thinking of taking up fishing. I don't have a nervous temperament. Here, we are not soldiers trained to defend ourselves, and besides, a paragovernmental organization like the GAL can easily overcome our means of protection. Admittedly, for peace of mind, I could have made another choice; but, without any desire on my part to be a martyr or to provoke anyone, the well-known fact is that the Basque cause is an arduous one that demands sacrifices."

Patxi Noblia is "for a Basque nation. Clearly, this is also the viewpoint of a majority of the shareholders who formed the firm." Of its 43 employees, one-third are refugees from the south, one-third are pro-independence militants from the north, and one-third are "good Hendayans to their very roots" and apolitical. He knows he can be considered "an objective ally of Basque nationalism, just as are those who defend the Basque culture and economy" and who "prefer to give work to Basque militants," even to those who feel they are being "exploited" at SOCOA, "rather than see them exploited as postmen in Bordeaux or cafe waiters in Paris."

Son of a "Bayonne bourgeois, a colonial doctor who also owned a chocolate factory in Cambo-Patxi. After "long and not very substantive" law and commercial studies, he became "the first permanent representative of the nationalist movement (legal) in the north," under ENBATA [expansion unknown], from 1963 to 1968.

In 1971, Noblia and a few friends decided to go into business for themselves as part of the reindustrialization of the "French" Basque Country. They formed SOCOA, "a conventional capitalist firm" with a capital of 90,000 francs, 25 shareholders and 3 employees; 35 percent of its capital was from the south, and 65 percent from the north. The firm sold office chairs, metal shelving and kitchen tables, all manufactured by various cooperatives between Bilbao and Irun. It created subsidiaries, among them an electronic and electric equipment firm, etc... Today, SOCOA has 43 employees, who own 20 percent of the capital shares, manufactures part of its furniture in Hendaye (assembly, upholstery), and is diversifying into robotics and production engineering (setting up of programs). Its capital now totals 4 million francs, 20 percent of which is owned on the other side of the border. No shareholder owns more than 4 percent.

Customs, police and even tax audits have not been lacking: In 1979, searches disguised as an application of the 1944 ordinances with respect to black-market operations. "So many police swarming about that they had to be booted out." A tax audit lasted 4 months. "They went through every account with a fine-toothed comb to come up with a 20,000-franc tax adjustment--some VAT [value-added tax] items, mere trifles."

In fact, the problems of this young CEO, who prides himself on a respectable rise in revenues (1979: 21 MF [million francs]; 1981: 26 MF; 1982: 30 MF; 1983: 35 MF) are of other natures. "Our office and home furniture market is stagnant. There is a crisis. Enormous efforts are having to be made by enterprises to get rid of the excess fat that has been generated by family friendship habits." And Patxi Noblia adds: "This is no paradise, especially since, aside from the problem of internal relations in the enterprises, there is a whole flock of specific Basque problems: There is interference from many wave fronts that are creating turbulence."

"Pantxo" Bimboire, a young Basque manager, aged 33--public works engineer, graduate of the IAE [expansion unknown], diploma in mechanics, and top-

drawer professional experience in Paris in a consultant capacity with the Bossard group--is also one of the top-level managers of the Herrikoa, a Bayonne corporation formed in 1980 as a financial organization, consultant firm and agency for the creation of business firms in the Basque Country.

Herrikoa's starting capital? From the pitchings-in on the part of 800 Basque Country (North) families, that is, 1 percent of the Country's families. These 800 families own 70 percent of a total capital of 3.5 MF (including five small private firms or cooperatives in the north and three savings banks "on the other side"), while Credit Agricole, as from a short time ago, now owns the remainder.

Its goal: The creation of 1,500 jobs here within 5 years; new firms, participations and takeovers. Present level: 330 jobs created [text apparently missing here as published] of which the part reverting to Herrikoa in its own right ranges between 10 and 30 percent in unremunerated capital and current accounts, all in milk cooperatives (Berria), an electronics SCOP [expansion unknown] (Copelec), an SARL [limited liability company] in hollow-ware, SA's [limited companies] in footwear, etc. Trading activities are hardly represented in the "network," and tourism not at all ("almost as a matter of principle"). Pantxoa Bimboire has his office in the massive white and green--the Basque colors--building in Bayonne that houses Herrikoa, Collectivite Service, and various subsidiaries of the group.

Herrikoa means "the people's money." The idea came "from the other side." "We wanted employment, employment generated by our own efforts, knowing that it does not come about of itself if one does not lay oneself out to create it... Financial participation: Get into finance, into that which is frightening, into capital, into economic matters, into profits and losses, 'soak oneself up in these things...'" And how does Basque anti-terrorism enter into the picture? "The die has been cast. A bomb in 1979. Following the shooting of Txapela, we, who are the economic branch, had a meeting of 30 business firms representing 400 workers... We have decided on a common position, on action as a group... We have decided not to stand still... Matters have now become systematic... Heretofore, the episodic actions against the refugees have been somewhat looked upon as the price of glory... As the work of hoodlums, almost folkloric... Now, however, it is the Spanish police who cross and recross the border, who make their hits and go back down there to be toasted with champagne, and this we will not tolerate... People who had chosen to live within the law will now change their viewpoint... If it means patrolling and keeping shotguns in cars..."

9238

CSO: 3519/156

IRANIAN EXPULSIONS YIELD DETAILS ON EXPORT OF ISLAMIC REVOLUTION

French Intelligence Report

Paris LIBERATION in French 30 Dec 83 p 2

[Article by Veronique Brocard]

[Text] Three Iranian diplomats were expelled from France on Saturday [24 December]. Five students were expelled yesterday [29 December]. Although the Ministries of the Interior and Foreign Affairs have remained silent regarding this affair, evidently the French Government suspected the persons expelled of preparing to carry out armed attacks in France.

The French counterespionage service [DST], in a report prepared early in 1983, formally accused the Iranian Embassy in Paris and Iranian cultural or religious associations in France of providing cover for pro-Khomeini subversive activities.

The five Iranians awaiting expulsion from France normally would have been expected to have been in their seats on an Iran Air flight yesterday at 8:45 pm at Orly Airport. Since 22 December the five students: Mahamoud Kamkar, 27 years old; Mojtaba Norozi, 27; Mohamed Kalentari, 32; Mohamed Dastgheib, 26; and Nasrollah Jafari Najafabadi, 26, have known that they must leave France.

This was decided by the Ministry of the Interior which, in its decision on the matter, concluded that, in view of the intelligence collected on the activities of the Iranians, their continued presence in France was "incompatible" with the security of the state. While waiting for the next regular flight to Iran all five individuals were placed under house arrest at the National Police School in Reims.

Hoping that this decision by the Ministry of the Interior would finally be cancelled, Dr Nouri Alballa, one of their lawyers, yesterday [29 December] at 4:15 pm submitted five applications to the Administrative Tribunal, requesting the cancellation of their orders of expulsion, as well as five applications for postponements in the execution of their orders of expulsion. Dr Alballa stated:

"Although it is true that the Ministry of the Interior has discretionary powers, it must, nevertheless, justify the reasons for its decision." Now, in the view of the defense attorney of the five students, who said he "did not know in detail the kind of study program followed by his clients in France," Gaston Deferre [minister of interior and decentralization] had been very evasive. Dr Alballa stated: "I have not succeeded in obtaining explanations from the Ministry of the Interior. Therefore, I don't know what they are really accused of."

Although the Ministry of the Interior and the Secretariat of State for Public Safety have remained very quiet about this affair, limiting themselves to a more than usually brief communique, it appears evident that the essential reason for these expulsions is related to terrorism. In effect, these five Iranian students are suspected of preparing to undertake armed attacks in France. Under these conditions it is difficult to see how the Ministry of the Interior, which is sure of its information, could cancel its decision.

The Ministry of the Interior is observing the same silence as the Ministry of Foreign Affairs a few days ago. At that time the Ministry of Foreign Affairs in effect refused to publish the names of the three Iranian diplomats expelled last Saturday [24 December]. Reportedly, those expelled included Majid Karchenas (who was named in the report of the DST mentioned above) and Abdoula Baghlani.

For the past several years the Iranian Embassy, its diplomats, and Iranian students have been carefully watched by the Directorate of Territorial Surveillance (DST). In an overall report prepared early in 1983, whose conclusions have never changed, the French counterespionage service put the matter flatly: under the cover of their official missions, these representatives of the Khomeini government are nothing but agitators, activists, and even dangerous terrorists.

Under the heading, "Establishment of a Subversive Infrastructure," the DST explains that "in order to carry out its policies in France, Iran has been engaged in establishing a clandestine organization which is deployed around its embassy in Paris. The Iranian Embassy controls a large network made up either of individuals or of cultural associations whose official, religious activities in fact provide cover for their subversive activities."

Further on the report adds: "Small at first, this network was methodically built up and now covers, if not all of our country, at least all of the areas where significantly large Muslim communities live. Therefore, this organization, set up in this way, can be considered 'operational.'"

According to the DST, it is the Iranian Embassy in Paris which "constitutes the summit of this structure, and its subversive, political activities are extensive." The embassy is reportedly the source of the "dissemination of propaganda supporting the Khomeini government." The DST study states that through "the abuse of the diplomatic pouch, a substantial quantity of books, magazines, and pamphlets is brought into France. This propaganda is printed in Tehran by the

official Ministry of Islamic Propaganda [Ministry of Islamic Guidance]." As it is unable to bring in all it wants through this official and technically limited channel, the embassy also orders printed matter from various "Islamic centers" in Western Europe, particularly in Aix-la-Chapelle [Aachen] and Munich in the Federal Republic of Germany and in Vienna, Austria.

In addition to this distribution of pious brochures, the Iranian diplomats, according to the DST, are engaged in other and more "direct" tasks. In the report it is stated in particular that "on the occasion of clashes which took place on several occasions between Iranian opposition elements and Khomeini supporters, interrogation of certain participants in these events made it possible to identify several officials of the Iranian Embassy, whose essentially 'gangster-type' functions were evident."

According to the DST, a student association called "Iranian Muslim Students in France" plays an important role. With its assistance the Iranian Embassy in Paris reportedly made a list of all Iranian political opposition figures living in exile, at the request of the Iranian Ministry of Foreign Affairs. As the embassy could not carry out this task by itself, it was forced to draw on the mass of Iranian students who support the Khomeini government and particularly those who are members of the student association.

This effort does not seem to have been sufficient since, according to the DST study, "many militant Khomeini supporters were sent directly from Iran to France with the 'official cover' of students. These pseudo-students, numbering between 150 and 300, were placed directly under the Iranian Embassy and were closely supervised by diplomatic staff members."

The listing and location of opponents of the Khomeini regime was only one of the aspects of a much broader plan which aimed at the liquidation, pure and simple, of the principal opposition leaders. According to the DST, orders were given "to Iranian diplomatic representatives in Paris to help in every way--reception, housing, cover--the terrorists charged" with liquidating the opposition leaders. The training of these terrorist groups was reportedly entrusted, at the time, to the Ayatollah Heidi Ghaffari, a close associate of Ayatollah Khomeini. The arrival in France of several groups of terrorists had been reported by the Directorate of Territorial Surveillance. According to the DST report, their target at the time seemed to be limited solely to the opponents of the Khomeini regime. Today the field of activity of the pro-Khomeini Iranians has been broadly extended, since it now involves French targets.

Terrorist Networks

Paris LIBERATION in French 30 Dec 83 pp 3, 4

[Article by Eric Landa]

[Text] Even though the bulk of the exiles opposed to the Iranian Islamic regime have settled outside of Paris, the

pro-Khomeini networks are only interested in the "export of the revolution" to France and the pursuit of opposition groups.

Iran under the Ayatollah Khomeini has at least two good reasons for interesting itself in France (without any sense of good will). The first reason relates to French foreign policy. In the countries of the Persian Gulf, as well as in Libya, the policy of President Francois Mitterrand aims at blocking Khomeini's objectives. And although, officially, Iran is not an enemy of France, Iran's enemy, Iraq, has received Mirage fighter-bombers from France. The second reason is every bit as important: the bulk of the Iranian opponents of the Islamic revolution are concentrated around Paris.

Watch and punish: in Paris the pro-Khomeini networks borrow the usual channels and cover for this kind of activity: employees of embassies and cultural organizations. Certain Iranians among those expelled yesterday [29 December] belonged to the "Centre Culturel Islamique" [Islamic Cultural Center]. Its principal activists are Jafar Jalali, Jafar Monfared, Abdoula Baghlani, Kazem Helali, and Morteza Dastgheib.

Morteza Dastgheib, who was expelled from France, was in charge of contacts with French-speaking Arab circles. With his strong right arm, A. A. [as published], he had close relationships with Tunisian groups. Certain members of these groups have gone through "training" courses in Iran. Another network is made up of a small number of "Hezbollahis" (Partisans of God). This network was controlled by Nasrollah Jafari Najafabadi (who was also expelled from France). At the Iranian Embassy in Paris several diplomats were charged with coordinating the activity of these two networks and of related forms of work. Before he was assigned to Paris, Majid Karchenas (one of the three diplomats expelled) belonged to the Bureau for the Coordination of Security Affairs under the Iranian prime minister. At the Iranian Embassy in Paris he was charged with contacts with the Arabs and Muslims of the Maghreb [Northwestern Africa].

Colonel M. F. [as published] is responsible for training the Embassy intelligence agents, and F. H. [as published], a protege of the Ayatollah Montazeri, the "heir apparent" to Ayatollah Khomeini, occupied himself with watching over the activities of the "Islamic Cultural Center." M. H. [as published], a near relative of Khomeini's, is "the eye of the Imam." Officially, he is the representative of the Iranian radio-television service.

The majority of the diplomats sent to Paris held important positions, either in organizations charged with searching out opposition elements or in the organization charged with spreading the word of the Khomeini revolution throughout the world. Added to these diplomats over the past few months has been a substantial "traffic" in personalities between Tehran and Paris. In particular the Ayatollah Asari Ghomi and Fazel Marandi, a close associate of Ayatollah Montazeri, have passed through Paris.

However, the Khomeini revolution is far from being concerned exclusively with Paris. In Tehran several organizations are concerned with the "export of the

revolution" and hunting down opposition elements. These organizations are often rivals and carry on a factional struggle. Power in Tehran is still far from being monolithic. The principal efforts of these organizations are concerned with the countries of the Persian Gulf and Lebanon. Certain organizations work in cooperation with Syria and Libya. It reportedly appears that the Syrians are more specialized in intelligence matters. In Libya, at the "Al Qobra" camp, certain operations against Libyan and Iranian opposition elements are planned. During this training period the recruits receive salaries ranging from \$1,500 to \$2,500 per month.

Once they have been trained, these militants are provided with cover by Iranian organizations abroad. Kariman Hossein, a member of the personal cabinet of the prime minister of Iran, is charged with finding adequate cover for them. He works in collaboration with the "external security and counterespionage services."

In the northern part of Tehran, on the Avenue Villa du Nord, these intelligence services occupy the same offices as the former SAVAK [intelligence organization] under the shah. It is not only geographic continuity which is maintained in this way. A large proportion of the officials has continued to serve. The organizational chart has not changed, and the objectives of these organizations are the same: watching over and working against opposition groups abroad. As was the case under the shah, moreover, these intelligence services officially come under the prime minister. Today, Hussein Moussawi is their director. He is in charge of the "Bureau for the Coordination of Activities Concerning the Security of the Country." However, in the same way that these intelligence services used to receive their orders directly from the shah, today they are led by Rafsanjani, the president of the Iranian Parliament.

These intelligence services, which have agents in all Iranian embassies, are responsible for several attacks against Iranian citizens: in particular the murder of a former Iranian press attache under the shah in Washington and the attack which took place in Paris against Chapour Bakhtiar, the last prime minister under the shah.

Two organizations are fighting over the privilege of exporting the Khomeini brand of Islam throughout the world. These efforts are made in three particular directions: the countries of the Persian Gulf, Lebanon, and the other Muslim countries. This struggle is between "The Unity of Islamic Movements," which is controlled by the so-called guardians of the revolution, and the "Section of Islamic Liberation Movements." The latter organization is controlled by Sayed Mehdi Hachemi, a close associate of Ayatollah Montazeri. Sayed Mehdi Hachemi was sentenced to life imprisonment under the shah for having strangled a mullah in Isfahan who was opposed to Khomeini.

The unification of these two organizations in a super-ministry is under consideration. Meanwhile, they carry on a no holds barred kind of competition. They receive help from those in favor of Muslim integration, mostly Shiites, and non-Iranians. They have networks (more or less clandestine) in the Philippines,

in Indonesia, and in the Maghreb. These organizations are especially active in Afghanistan and Lebanon. However, they also have bureaus in Pakistan and in Austria.

In Beirut the "charif" unit is apparently the one which organized the attacks by suicide trucks against the American Embassy and the American and French military headquarters. This unit is directed by Hadi Charif, a "guardian of the revolution," who is also linked to the clandestine Iraqi integrationist organization, Al Dawa. Furthermore, Hadi Charif seems to work in close coordination with a dissident branch of Shiites, the Amal, in Beirut, which is directed by Hossein Moussaoui and Mustafa Deyrani.

Following the Israeli invasion of Lebanon in June 1982, about 1,000 Iranian "Pasdars" (guardians of the revolution) were assigned in Syria and in Baalbek. They went to reinforce the first elements who were sent to Lebanon, beginning in 1980, by Mohamed Montazeri, the son of Ayatollah Montazeri, better known under the name of "Ayatollah Ringo."

In Iran itself the Islamic liberation movements have two training camps. The first of these is called "Tchemram," after the name of the former minister of defense and principal founder of the Amal Shiite militia, who died in 1980 on the Iraq-Iran front.

The second and principal camp is south of the holy city of Qom. This former SAVAK center is directed by the Hodjatoleslam Najafabadi. It has substantial financial resources and about 2,000 personnel. It is at this camp that volunteers from the different Muslim integrationist currents come to be initiated into the latest techniques of terrorism--involving suicide or not: booby-trapped trucks and automobiles, kamikaze aircraft packed with explosives, etc. It was after photographs had been taken by a spy satellite that the Americans decided to install anti-aircraft defenses around the White House.

Reasons for Export of Revolution

Paris LIBERATION in French 30 Dec 83 p 4

[Article by Eric Landal]

[Text] Faced with internal difficulties and a certain loss of popular enthusiasm, the most radical wing of the Iranian clergy has decided to make a great leap forward and to intensify terrorist actions abroad.

Shiite activist plots in Bahrein, Saudi Arabia, and Qatar; attacks against the Americans and French in Beirut; a series of explosions in Kuwait; Islamic networks in Indonesia, the Philippines, and Pakistan. We have lost count of the "terrorist" actions with which Iran is directly or indirectly associated. "You only lend money to the rich," the saying goes, and it is true that numerous actions have been coordinated or encouraged in Iran by the "Section of Islamic Liberation Movements of the Guardians of the Revolution."

Since he came to power, Ayatollah Khomeini has not hidden his intention to "export the revolution." Khomeini, the "guide" of the revolution, has always said: "The road to Jerusalem goes through Kerbala." One could not state more clearly that "Zionism" will only crumble after an Islamic revolution in all of the Muslim countries.

For Khomeini there is therefore a fundamental need to "export the revolution" made in Iran with all the more use made of its supporters today, since the Islamic revolution is going through real difficulties. How it drags on! Each day the Iran-Iraq war looks more and more like a war of attrition which has not attained its military objectives and is wearing out the country in economic and human terms. The latest Iranian offensive, "Dawn IV," reportedly caused loss of 40,000 Iranian dead.

The lassitude toward an unending war, serious economic difficulties, major dissensions among the Iranian leaders, and a particularly violent campaign of repression of dissidents have unquestionably "broken" the popular enthusiasm of the first years of the Iranian revolution. The formidable support for the revolution which was evident for a very long time now seems at least partly gone. And it is no longer a time when the mullahs can count on the enthusiasm of the masses to escape from the difficulties which affect the country. Today the "extremists" of the Tehran regime seem to have decided resolutely to make a great leap forward. This has been done because the mullahs, from now on unable to undertake a major mobilization of the people, seem to have decided to try to resolve their internal difficulties by proving that Iran remains "strong and solid because it has succeeded in making the earth shake."

The surface to air missiles installed in Washington to protect the White House, the security measures taken in all of the Western countries, and the booby-trapped trucks in Beirut clearly reflect action in support of the propaganda broadcast every day by the Khomeini regime. Every young Iranian Shiite may thus feel that he is invulnerable because he makes "all the Satans" of the earth, large or small, quake in their boots!

The "terrorist" actions carried out abroad, in Europe, in Lebanon, or in the Persian Gulf furthermore play an important role in the internal rivalries of the Iranian regime. Everything is happening, in effect, as if the most radical wing of leaders of the Islamic revolution were engaged in "activist" incidents on the international scene in order to continue to maintain themselves against the "pragmatists" of the regime, who presently hold the upper hand in Tehran. This pragmatic wing, faithful to the "line of the Imam," should give way to the religious figures favorable to a rapprochement with the West, since the outlawing of the leaders of the Tudeh (communist) party. These religious figures, who are basically anti-Soviet, are pressing for the normalization of relations with the countries of the Persian Gulf, are urging the further development of relations with Turkey, are presently in a strong position in Tehran, and are imposing their views.

In this context the most radical wing of the Muslim clergy has nothing left to do than to engage in "activism" abroad, if it wishes to continue to keep at

least some power. And that is all the more the case since, on the eve of parliamentary elections in Iran, the most conservative mullahs have been able to stabilize their position of power. In view of this, the "extremists" who are faithful to the "line of the Imam," which they proved by the occupation of the American Embassy in Tehran and who control the "guardians of the revolution," have decided to respond by a process of auctioning off the revolution. Hence the attacks in Lebanon, in Kuwait, and the attempts to destabilize several countries in the Persian Gulf. Those who follow "the line of the Imam" say in substance: "If the United States is our enemy, why go and fight it on the sands of Iraq and not 100 kilometers farther South in the Arab countries allied to America in the Persian Gulf?"

Faced with this logic, Khomeini does not appear to have made a decision. First, because he has always kept a balance between the different groups in the Muslim clergy. However, he has also avoided a decision because his personal logic leads him to favor the well-known "export of the revolution." In his book, "Esperance Trahie" [Hope Betrayed], Abol Hassan Banisadr, the former president of Iran, reports one of the things which Khomeini taught Hossein, his grandson. There could not be a more revealing comment on the view which "The Guide of the Iranian Revolution" takes of the "export of the revolution." He says: "If the Iranians obtain what they need, they will no longer fight for the victory of Islam in the world. We must create repeated crises, strengthen the idea of death and martyrdom. It is not important if Iran should disappear in the struggle. The important thing is to drown the whole world with crises. This is what 'exporting the revolution' means. If we do not create a new crisis every day, the people will return to their former habits. It is in the flames of crisis that those who are called on to export the revolution will lose their unhealthy desire for comfort and will acquire the maturity necessary for the accomplishment of their mission. That is why the Imam does not remain quiet. Once the noise stops, he says something that starts the crisis going again. He thinks that without a crisis Islam cannot be practiced."

5170
CSO: 3519/160

BRIEFS

EXTRADITION REFUSED FOR SPANISH RIGHTIST--Despite the favorable opinion handed down by the Court of Appeals at Versailles (Yvelines), the French Government has refused the request for extradition submitted by the Spanish Law Courts in the case of an extreme rightist militant who has been condemned in Spain for the murder of a communist militant. This decision, which is based "solely on juridical grounds," is in the process of being notified to the Spanish authorities. Juan Domingo Martinez Lorenzo, Falangist militant, was condemned on 1 July to 10 years and 1 day in prison after an attack against a Madrid bar on 6 May 1980, in which one person was killed and two were wounded. Questioned on 17 July in the Paris region, he was remanded to the Bois d'Arcy prison. [Text] [Paris LIBERATION in French 15 Dec 83 p 18] 9238

CSO: 3519/156

OPINION POLLS OFFER NO EVIDENCE OF ANTI-AMERICANISM

West Berlin DER TAGESSPIEGEL in German 9 Dec 83 p 17

[Report by "D. H.": "New Shifts in Relations---The German-U.S. Relationship as Reflected in Opinion Polls"]

[Text] Contrary to the widespread view of an alienation between the United States and the Federal Republic, opinion polls show that, while there have been some shift of emphasis on both sides, the attitude toward the other country continues to be determined by traditional values.

At a congress of the John F. Kennedy Institute on the two countries' "reciprocal acceptance and historical realities," political scientist Helga Haftendorn presented a resume of several opinion polls which in part revealed mirror-image assessments. It does not provide proof of the Germans' much-cited anti-Americanism.

Professor Haftendorn, relying on representative polls by Allensbach, Sinus and Emmid and a poll taken in Chicago, emphasized that both nations occupy the same rank of popularity in the other country: the Federal Republic ranks behind Canada, Great Britain and Mexico [among Americans], and the United States ranks behind Austria, France and Sweden among Germans. Both countries favor their neighbors most, she pointed out.

The political-military importance of the partner, she stated, is appreciated just as greatly by the Germans as by the Americans. One out of two Americans regards the Federal Republic as a loyal and good ally, and one out of two FRG citizens considers the United States the best friend of the Federal Republic. The professor said that while there are increasing doubts concerning the close tie with the United States particularly among young Germans (less so among the APO [Extraparliamentary Opposition] generation, which is now between 30 years and 40 years old), neutralism is not given the nod but is rejected by 65 percent of Germans. The role of the United States as guarantor of security is not questioned: two-thirds of Americans and two-thirds of Germans support NATO.

In the Federal Republic, there is, however, an increasing desire for good relations with both superpowers, Professor Haftendorn said, with two out of three Germans advocating a good relationship with West and East. There is no longer

any wholesale approval of the United States, she pointed out. Only 25 percent of Germans take a positive view of the U.S. President. What is being deplored in this country with particular frequency is a trend in U.S. foreign policy to make decisions without previously consulting with the allies. Whereas Americans feel primarily threatened ideologically by communism, the fear of a military conflict is increasing in the Federal Republic. Accordingly Germans increasingly support negotiations.

According to the professor, a large part of the German population--72 percent--supports the view that as tension between the big powers increases the Federal Republic should make it clearer what its own interests are, preserve its own freedom of action and remain in dialogue with the Eastern bloc, particularly with the GDR.

8790

CSO: 3620/133

GREENS' SCHILY ON VISITS TO GDR, USSR

West Berlin DIE TAGESZEITUNG in German 4 Nov 83 p 8

/Interview with Otto Schily by Max Th Mehr; date and place of interview not given/

/Text/ After the Greens' delegation returned from its Moscow trip and its visit with Council of State Chairman Honecker and the GDR's independent peace movement, DIE TAGESZEITUNG editor Max Th Mehr spoke with Otto Schily about his impression of the talks, the freeze and the development of East-West relations.

/Question/ Considering the dispute within the parliamentary group over the approach of your trip to Moscow, I cannot help but get the impression that the Greens have no relationship with real socialist countries, but rather that personal differences between members of the parliamentary group determine policy.

/Answer/ It is wrong to believe that the difficulties within the parliamentary group, which arose over the trip's approach, were mainly personal differences. Naturally, there are different levels of experience among the group's members concerning the USSR and GDR. So far as I can see, in the parliamentary group as a whole we have no particularly developed image of these countries at a certain level of information. In this respect, we have made allowance for our existing lack of knowledge concerning the present situation of new intermediate-range missiles being deployed in Europe. We also definitely do not yet have a coherent concept, worked out in every detail, of the United States. But there are differences. One example: Petra Kelly--and this does not apply just to her--knows a whole lot more about the Americans' feelings on what is vital and their style of debate than about the way things are done in the Soviet Union.

Our relationship with the GDR is different, on the other hand, because we have a lot of contact with the independent peace movement and are geographically closer to the GDR. But in this instance as well, we still have a considerable amount to learn.

/Question/ You were, of course, part of the 1968 movement. Has your relationship with the Soviet Union, with real socialist countries, changed in the last 15 years?

/Answer/ Basically, nothing of importance has changed. Peace in Europe will be stable only when the relationship between the USSR and the two German states proves to be a factor in assuring peace.

I may have still had some illusions in the 1960's concerning the possibilities for internal social developments in the Soviet Union and in the GDR, but I have discarded them to a large extent. I can greatly appreciate that people in the Soviet Union are repeatedly confronted with the trauma of World War II. That experience has become very deeply embedded in the consciousness of the Soviet Union's people. We cannot talk about security in Europe without having this rightly pointed out to us again and again. Twenty million deaths cannot and should not be forgotten in one generation. The devastation which we caused is not limited to human beings--which was the worst--since the Soviet Union was also totally destroyed economically and actually has never really been able to recover. Faced with tremendous pressure from the United States, the Soviet Union was mainly on the defensive during the postwar period.

The Soviet Union has also definitely made many wrong political decisions. But when you hear people in Moscow say today that they feel overwhelmed by the economic burden of this armament spiral, I believe that it is meant in earnest. It cannot just simply be dismissed as propaganda. In the case of the GDR, it should be considered a positive development that at least an attempt is being made to practice somewhat more liberality in the narrow context available there. I do not consider that a foregone conclusion, but rather a first attempt which we should support and not belittle. In addition, we should not look down on the GDR so arrogantly.

/Question/ What is the general feeling of the delegation, which was more or less on an official visit to Moscow and the GDR? Are such talks only rituals or is anything really discussed? Do learning processes take place on both sides?

/Answer/ There is certainly a lot of skepticism, not least among the Greens, concerning such statesmanlike or stateswomanlike talks. But that is not my view. We would be neglecting an important area of politics if we did not hold such talks and would also not be fulfilling our own responsibility. But whether very much is accomplished in such a first attempt is another question. However, it is also certainly a step in that direction. They listened to us very attentively and at least acknowledged that we did not behave according to custom. I hope and expect that this will achieve something in the long run. I am not just creating this expectation out of the clouds. The awareness that no more progress can be made by using traditional means and methods is becoming more and more widespread among people who exercise power directly today.

/Question/ In the early part of the week, Honecker emphasized that he still sincerely believes that the negotiations in Genf can produce results. Did your talks confirm this impression, on which these hopes hang?

/Answer/ In our talk, Honecker repeatedly stated that he still considers it possible for the negotiations in Genf to produce results. Personally, I also still consider this possible. Considering the overkill capacities, each side still has enough maneuvering room to lead the negotiations to a conclusion that will mean a step not toward armament, but rather toward disarmament.

/Question/ What did you actually bring back from the trip?

/Answer/ In the Soviet Union, there was nothing more than an exchange of views. However, the atmospheric impression of such talks is important. I saw a clear contrast to official U.S. Government representatives, who deal with such matters in a relatively dry, cold and technocratic way; I did not get the impression that they were particularly worried about the future. In the Soviet Union, on the other hand, earnestness and great concern about the future were predominant.

Then when we returned home and read that President Reagan stated in an interview that this was the time of Armageddon, that the final battle between good and evil will soon be waged, I must say that we noted not only subtle differences between Moscow and Washington, but rather strong contrasting images. On the other hand, a good many arguments on each side are mirror images of each other. When we explained in the USSR or GDR that we are in favor of unilateral disarmament, we were often presented with the same arguments with which we are familiar in the West. For example, Honecker countered that Grenada is evidence of what unilateral disarmament would bring. He said that if Cuba had nuclear weapons, then Grenada would not have been invaded. Conversely, in the West we hear: Afghanistan is a small country without the protection of nuclear deterrence....Much in the arguments of both sides is exactly alike. Both sides also say that nuclear deterrence has maintained peace for 35 years. In the USSR and GDR, the principle of parity and equal security is still the official doctrine. We did not find a large audience for our views that more attention must be given to political factors of security and that we should not rely so much on military factors of security. We are in favor of calculated unilateral stages of disarmament. We must consciously agree to take a risk in this area in order to promote political action. If a drastic, far-reaching unilateral stage of disarmament were to take place today, this could lead to political dynamics on the other side, assuring peace much more than could be achieved by means of mass destruction. Regarding the Genf negotiations, this is something that is still being neglected by both sides.

/Question/ How are the Greens seen by Honecker and the USSR? Are you not so strange to them that you are currently considered an ally, but are actually a crackpot?

/Answer/ I believe that in both Washington and the USSR, much of what we consider so strange is /due to the fact/ that it was formerly classified as exotic political phenomena. But we are actually seriously considered a danger in Washington. We are not seriously considered a danger in the USSR and GDR, but perhaps even there we are perceived somewhat as something that they want to prevent from developing in their own society. There may also be further differences between the USSR and GDR in this matter. In the Soviet Union, it could happen that someone says that he is a Green. But the Greens are meeting with tremendous interest everywhere.

/Question/ What happens after the freeze, after the missiles start being deployed in November, if the East-West dialogue is again frozen for the time being?

/Answer/ It is amazing that Honecker never made any mention of this during the talks. This was also not very clearly stated in the Soviet Union. But it was obvious that the world would not look the same as before following deployment of the missiles.

/Question/ Will the German-German spring continue after the deployment, in the shadow of a freeze in relations between the Soviet Union and the United States?

/Answer/ I believe that the forces in the GDR favoring a harder line would then gain greater influence, as well as in the USSR. Indeed, against the historical background of World War II and the trauma of 20 million deaths, the USSR's attitude toward Germans will harden. We are presently the Western European country with the greatest nuclear arsenal. If first-strike weapons and decapitation weapons with a greatly reduced warning time are deployed in our country, the Soviet leadership, as well as its population--there is no opposition in this instance--will view this as a very threatening act. This is a vital threat which we must consider. I would be surprised if this would not have any repercussions on the USSR's conduct toward the FRG or Western Europe as a whole. Hardly anyone disputes the fact that the Soviet Union has the capability to impose its policy in the GDR. Thus the special role perhaps played by the GDR today to a certain extent would then be terminated, as well as that of the FRG, since following deployment it will also be more closely tied to U.S. policy. I am afraid that an excessive hardening of relations between the two German states, and between the Warsaw Pact and Western Europe in general, will occur. An attempt will perhaps be made by the GDR and FRG, for different reasons, to salvage something. The FRG naturally has a clear interest to express: business as usual, the rockets are there, but no one is upset, it is a greater means of assuring our security, we are continuing as before. For different motives, the GDR will not really want to follow this line of reasoning but will think that before we allow talks to be broken off, before we leave alone a development which could further escalate, we must try to maintain

relations as much as possible, since economic considerations are also clearly involved. The Greens would assume a special role, since they are the only ones who have guaranteed their innocence matters concerning the two-track decision.

/Question/ How have the church and the independent peace movement in the GDR reacted to your talks with government leaders?

/Answer/ The independent peace movement greatly welcomed our talk with Honecker, and also the manner and way in which it was held, with emphasis on the symbol of swords being transformed into plowshares, our clear defense of the peace movement, our efforts for the release of followers of this movement. This has already brought some small results. It has all turned out well. I also think that it is in keeping with the intentions of the church, which must definitely behave much more cautiously and is very restrained in its political assessments. I can greatly appreciate that.

12580

CSO: 3620/67

GREENS CERTIFIED FREE OF TERRORIST TIES

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 15 Dec 83 p 4

[Report by correspondent Ursula Knapp: "Federal Attorney General Satisfied With Peace Movement--Rebmann Welcomes Clear Delimitation From Terrorist Aims"]

[Text] Karlsruhe, 14 December--Federal Attorney General Kurt Rebmann at his semiannual press conference in Karlsruhe described the actions of the peace movement in October as "generally peaceful and moderate." For German terrorism, he said, it has been a "fall of isolation and also of frustration," since the peace movement drew a distinct line between itself and the aims of terrorism. He was concerned, however, he said, that this isolation might lead to serious actions by the autonomous groups, the Revolutionary Cells (RZ) and the Red Army Faction (RAF). It was therefore too early to call off the alert as far as the anti-imperialist front was concerned.

Rebmann, who in the summer had issued an emphatic warning to participants in blockade activities, said: "The fall of '83 has affected the internal and external security of our state much less than we had assumed as late as in July." The careful and prudent reactions by the authorities had "led to a new relationship between the authorities and counterarming demonstrators [and] also between citizens and police."

According to findings by the Office of the Attorney General, the commando sector, which Rebmann says includes the wanted Henning Beer, Christa Eckes, Helmut Pohl and Inge Viett, is busy rebuilding its organization and personnel. In this connection Rebmann announced that the proceedings against Christian Klar and Brigitte Mohnhaupt, arrested late in 1982, would start at the Superior Court in Stuttgart on 1 February.

Rebmann welcomed the ban of the extreme rightist Action Front of National Socialists/National Activists (ANS/NA) by Federal Minister of the Interior Friedrich Zimmermann.

8790

CSO: 3620/132

GREENS' ROLE IN DISSOLUTION OF PEACE MOVEMENT LEADERSHIP

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 15 Dec 83 p 1

[Report by correspondent Dirk Cornelsen: "Greens Prevail--Management of Peace Movement Dissolved"]

[Text] Bonn, 14 December--The management of the Coordinating Committee of the Peace Movement has been dissolved. The decision was made by members of the committee at a closed session, by a bare majority. The management consisted of representatives of 6 of the, in all, 26 organizations of the Coordinating Committee. It means that, among other things, the Greens and the Aktion Suehnezeichen [Mark-of-Atonement Action] prevailed. These groups supported the view that there was no need for a central organization at present and that the time had come to ponder above all about what should happen now.

The dissolution decision, however, for the time being does not put an end to the peace movement, for at the same time the members of the Coordinating Committee, by a large majority, decided to organize on their own a nationwide referendum about the stationing of missiles. On 17 June of next year, the day of the European elections, they intend to ask citizens at all polling places whether or not they approve of the stationing of the new nuclear missiles. The office of the Peace Movement in Bonn will therefore remain open. A new management will be appointed to prepare for the referendum.

Further, working groups are to be formed at the next session of the Coordinating Committee. They will deal with such questions as the relationship between the Federal Republic and NATO, the connection between armament and unemployment and the attitude toward the Eastern bloc. The prospects of the Press Movement are also to be dealt with at the next action conference in early February in Cologne.

8790

CSO: 3620/132

DKP SEEKS LINKS WITH SPD, GREENS IN 'PEACE STRUGGLE'

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 9 Dec 83 p 17

[Report by "ban": "DKP Seeks Alliance With SPD--'To Bring Workers and Peace Movement Even Closer Together']

[Text] Bonn, 13 December--The Moscow-oriented DKP Communists want to further influence and "strengthen" the Peace Movement and are noting with satisfaction the fact that they have already made a "considerable contribution to the development and strengthening of the Peace Movement." DKP Deputy Chairman Gautier said in Bonn on Tuesday [13 December] that this was the "most important task in the confrontation concerning peace and war." Before their party congress in Nuremberg in January (with the slogan "Peace Must Win Out. Now It Matters Even More Than Before: Jobs Rather Than Missiles.") the Communists are looking at the SPD with particular satisfaction, Gautier said. "United action" with Social Democrats was "an essential element of our fight for peace." Gautier spoke of "notable phenomena" as far as the SPD was concerned, saying that he was not talking only about the stationing of missiles; the previous SPD policy of drawing a line between itself and the Communists had also "fundamentally changed." This DKP estimate had already been reflected in the past few months in the Peace Movement, where the Communists frequently allied with the Social Democrats against the Green-Alternative camp. For the struggle against the U.S. missiles, Gautier said, "we need the Social Democratic masses."

Because the DKP does not regard the Greens as a workers' party, it seeks only "cooperation" with them--not "united action." A member of the DKP Presidium, Deumlich, said there was a "basic" difference between the DKP and the Greens in the view of his party: the Communists think that the SPD should be part of the Peace Movement. Nevertheless Gautier said that the DKP was interested in "very comradely" cooperation with the Greens. As far as the Communists were concerned, the wish "Let Us Quit NATO" was "no problem" but an "unrealistic demand" from the point of view of immediate implementation. Similarly, Gautier reacted to the Greens' demand that the Peace Movement had to proceed "from protest to resistance" by saying that all actions so far this fall had also constituted "resistance." and "of course Communists participated" in the blockades at Mutlangen and Frankfurt-Hausen. Gautier said the time had come to "do away with the legend that we are having problems in proceeding from protest to resistance."

The utterances of Gautier and party documents also made it clear what kind of strategy the Communists plan to follow in the Peace Movement. Gautier announced that the DKP would make "the greatest possible effort" to "bring the workers movement and the Peace Movement even closer together." It was necessary for "as many people as possible to be enlisted in the various actions against the stationing of missiles." By frequently pointing out the importance of the unions, the DKP wants to connect the ideas of peace and work in the public debate. A lengthy proposal by the executive, which does not make a single mention of the Soviet SS-20 missiles, states that because of the new U.S. systems the East cannot "forego countermeasures." At the same time it states that "the socialist countries are a reliable partner and ally of the peace movement in our country." In this proposal, too, there is express mention of the importance of the Social Democrats' role. It is stated that "the SPD's no to the stationing of new U.S. missiles is a plus for the further development of the peace movement" and that "Social Democrats who commit themselves in their party and in the Peace Movement in this spirit, despite continuing differences of opinions in many questions, will find us to be reliable fellow fighters and partners."

Another proposal of the DKP Executive concerning "New Demands To Be Made of Ideological Work," which reveals dissatisfaction with past ideological work, also emphasizes the importance of security policy. It states that it needs to be shown "that socialism and peace by their very nature are inextricably connected." Apparently owing to internal insecurity within the party, it is also stated that "it is wrong to equate the foreign, security and military policies of capitalist and socialist countries" because that does not take into account the "fundamental social differences."

8790

CSO: 3620/133

POLITICAL

ITALY

BERLINGUER ON PCI'S POLITICAL INITIATIVES FOR 1984

Rome L'UNITA in Italian 31 Dec 83 p 1

[Article by Enrico Berlinguer: "Need for Peace; Need for Change"]

[Text] More than ever peace is the first hope and first commitment for the new year.

Installation of new American nuclear missiles began in Europe during the last part of 1983. This was followed by the expected break in Geneva negotiations and announcement of Soviet countermeasures. Thus the arms race entered a new phase which increased the risk of war. Open conflicts in various parts of the world, primarily those in the Middle East and Central America, became bloodier and more dangerous.

But in 1983 the opposition of large masses of people, of institutions and associations of all kinds and philosophies, men of science and even many men in government, grew against rearmament and the threats of war.

Hopes for peace are entrusted to the development and the continuation of these movements and to political initiatives that interpret their desires and objectives: first of all a halt to the arms race, the resumption of the USSR-U.S. dialogue between East and West, and peaceful solution of current conflicts with respect for the independence and rights of all peoples, beginning with the Palestinians.

Our country is directly involved in the arms race because Comiso is the headquarters of the new American nuclear bases, and in the Middle East conflict because an Italian military contingent is present in Lebanon. Among the many initiatives for disarmament to which our party will be committed in coming weeks the most important is that of collecting millions of signatures begun by the coordination of peace committees against the operation of the Comiso base and for a referendum which will call upon the citizens to vote directly on this subject.

Regarding the Italian contingent in Lebanon, it is time to withdraw it for the unassailable reasons referred to even by the president of the republic. There is no justification for government delays and they no longer respond either to national interests or to those of an equitable and peaceful solution in Lebanon and the Middle East.

The year 1984 will demand from the communists an energetic protection of the workers, their wages, their employment, and their rights. This protection cannot be separated from the battle that must be fought unceasingly in all fields for a policy of development and profound renewal of the country's economic and social life.

The present government cannot do this. What it has done and what it promises to do is aimed in one direction only: to reduce salaries, wages and pensions, beginning from the lowest, in the old and always discredited illusion that this could lead to a reduction of inflation and give production breathing room. This approach is not only evil but ineffective because it does not get at the real cause of Italy's financial imbalance and technological and productive backwardness, and because it strikes at the fundamental forces of society, those that can make the greatest contribution to rehabilitation and recovery, primarily the working class.

Forced by communist opposition in Parliament to forego the harshest measures against retirees and the towns, the government found nothing better than to resort to a new marked increase in the price of gasoline and in rents. It never decides to strike at waste, privilege, parasitic income, and particularly income from financial speculation.

This policy cannot lead to Italy's modernization and progress, but such a policy leaves everyone at the mercy of all the country's old vices and exhausts it.

Thus there is a resurgence of the compelling need for a general political change, for an alternative to the governments and policies that for more than 4 years have done nothing but repeat themselves in the hope of surviving without being able to guide the nation. The road to this change inevitably passes through many parliamentary and mass battles, proposals and political initiatives that would expose and deepen the contradictions between the people's and national interests and the conduct of the five-party coalition, that would score points for the democratic opposition against government policy and would bring forth the most skilled and advanced forces from among all parties.

Taking the lead in these initiatives and these battles for peace, development, and political change, we will contribute to making the coming European elections an event that would exert a positive influence in our own country, as well as the entire European Community and its parliament's functions.

The party held its 16th Congress in the year that is ending. Through its deliberations and decisions, the party demonstrated that it is a vital force capable of renewing itself without losing its ideals, without losing those characteristics by which it affirmed itself as one of the West's most solid and original political organizations.

The year now beginning calls upon us not to depart from the road we have taken. This means to bring to full fruition the new acquisitions that have enriched our political and ideological platform, our individuality. But it

also means continuing the search for a refinement of our theoretical and working instruments. But we must not forget one old thing which belongs to our most authentic tradition, which is continually confirmed in repeatedly new experiences, up to the extraordinary mobilization on 18 December for the distribution of L'UNITA: which is our greatest resource and that political and human commitment which is called communist militancy. It is made up of party loyalty, dedication, enthusiasm, sensitivity to the interests and aspirations of the people and therefore faith in the possibility of Italy's renewal under socialism.

With the certainty that we can always count on so many militants with these qualities, we send to all comrades--men and women--to all the workers, our affectionate wishes for a happy new year.

6034

CSO: 3528/37

POSSIBLE ASSIGNMENT OF SOARES CARNEIRO TO HIGH MILITARY POST

Lisbon EXPRESSO in Portuguese 24 Dec 83 p 24

[Text] Authoritative military sources told EXPRESSO that General Soares Carneiro may be appointed very shortly to a high-ranking position in the army hierarchy as a reward for "maintaining strict silence" since he ran for the presidency of the republic in 1980 as the candidate of the Democratic Alliance (AD).

According to the same sources, Soares Carneiro is a potential candidate for the position of adjutant general of the army--in the event that the current incumbent, Firmino Miguel, is appointed vice chief of staff of the army--or the command of the North Military Region (RMN), since it is very unlikely that Gen Aurelio Trindade can be reappointed to the command of the RMN after the public positions he assumed at the time of the "Garcia dos Santos case."

In any event, according to our sources, Aurelio Trindade was already expressed his unavailability to continue at the head of the infantry branch or to occupy the RMN command.

In the meantime, although the appointment of Firmino Miguel as vice chief of staff of the army is supported by Salazar Braga and by the Army Superior Council itself, it may not be a matter to be resolved immediately. The current adjutant general of the army (chief of the Personnel Department) has a number of tasks in hand that he would like to complete. The military sources contacted by us added that there is no "hurry" to fill the position of vice chief of staff of the army.

Another "thankless" task for Salazar Braga will certainly be that of finding a place for Garcia dos Santos--who, as former army chief of staff and four-star general, can only occupy a limited number of positions within the armed forces.

In the meantime, some reports have been published about the desire expressed by President Ramalho Eanes that Garcia dos Santos replace Gen Altino de Magalhaes as head of the National Defense Institute. The name of the former army chief of staff had been mentioned previously to replace Almedia e Costa as governor of Macau.

The composition of the Army Superior Council--which meets on the 29th-- in which some of the generals are selected directly by the army chief of staff, as well as the "more effective implementation of the rules of discipline in the army," will be two more tests of Salazar Braga's performance, which is followed with particular attention in military circles.

In the meantime, the National Defense Superior Council, the next meeting of which has been scheduled for 4 January, will decide on the possible appointment of a new vice chief of staff of the army as well as a commander for the North Military Region.

8711

CSO: 8142/0554-A

CAVACO SILVA PRESENTS 1984 BUDGET PROPOSALS

Lisbon EXPRESSO in Portuguese 24 Dec 83 p 17

[Text] "Reduce taxes, permitting the reduction of the investment cost for business" and accept the "increase of the deficit in the public and administrative sector" resulting therefrom: that, in summary, was the proposal put forth by Cavaco Silva at the seminar on the State Budget for 1984 sponsored in Lisbon this week by the Portuguese Association of Economists (APEC).

According to the former minister of finance, this turn in economic policy becomes necessary due to the "state of deep recession into which the economy appears to have plunged," requiring that "the channeling of funds from the private sector to the state be limited."

According to this economist, "the financial funds absorbed by the administrative and entrepreneurial public sector (the best available indicator for the deficit)" represented 98 percent of gross domestic savings in 1982. However, "its investment was (...) only 33.5 percent of the total investment of the economy."

Relating his proposal to the "letter of intent," the finance minister in the Sa Carneiro administration maintained that "the government should attempt to renegotiate the agreement with the IMF with reference to the deficit of the public sector" which, he acknowledged, "does not appear to be easy."

Before considering the 1984 State Budget, Cavaco Silva called attention to the disparity--"to which our government leaders are accustoming us"--between "the intentions to reduce the size of the deficit" and "its actual aggravation."

For 1981, an over-all deficit of 133 million contos was envisaged for the public and administrative sector, which ended up being 29.5 percent higher. "In 1982, that difference was 42 percent"; and for this year, "it is believed that the deficit will exceed 222 million contos," which corresponds to the identical percentage compared to predictions."

With regard to the amount of expenditures envisaged for the 1984 State Budget, after pointing out that here also predictions have been far outrunning reality--"in 1982, the increase in the number of public employees was 24,000 excluding term contracts"--he declared that if the goals established are fulfilled, it will be a success; otherwise, it is cause for concern...."

In this area, that is, expenditures, "a radical change in personnel policy in the public sector becomes necessary," just as "a more effective control of expenditures and access to credit by the autonomous funds and the local self-governing bodies are necessary because it is there that a more rapid increase has been occurring."

On the revenue side, referring to the current fiscal system, he termed it a "veritable patchwork quilt without any logic or consistence" and considered that "the revenues envisaged for the 1984 budget leaned toward a certain optimism."

Also on the fiscal topic, Medina Carreira, another of the invited speakers, delivered a detailed presentation in which he demonstrated the "state of fiscal emergency" in which the country finds itself.

In his long and detailed presentation, one of the many suggestions he presented was to: "put an end to seal-bearing document paper. The revenue that is collected from this tax does not even amount to 0.2 percent of the total revenues collected by taxes (...). It would be a cheap political victory," he concluded.

8711

CSO: 8142/0554-A

SPECULATION ON POSSIBLE CANDIDATES TO FILL GOVERNMENT VACANCIES

Lisbon ESPRESSO in Portuguese 24 Dec 83 pp 1, 24

[Text] The prime minister, vice prime minister and the minister of state held a working meeting yesterday morning in the official residence of Sao Bento.

The purpose of the meeting, described as informal, was reportedly the discussion of a number of pressing problems for the proper functioning of the government and the Socialist Party-Social Democratic Party (PS-PSD) coalition.

The more or less immediate replacement of some secretaries of state and the filling of the vacancies left by others was reportedly one of the matters discussed. Thus, it would be the desire of Minister Almeida Santos that his assistant for parliamentary affairs be replaced--Antonio Vitorino continues to be the name mentioned to replace Armando Lopes--and that the position of secretary of state for Cooperative Promotion left vacant by Mesquita Machado should be filled (possibly by Fernando Gomes).

Under discussion also would be the almost certain replacement of the secretary of state for labor--suspended, awaiting completion of the inquiry that was instituted against him by the Judiciary Police--Furtado Fernandes of the ASDI [Social Democrats Independent Action] being mentioned as one of the possible names for the position.

The government leadership will also have to make a decision for or against the resigned secretaries of state of the ministry of education, since it is regarded in government circles as practically impossible that that important department of the state should become paralyzed. For some sectors of the coalition, the attitude that is taken in this case will be a test for the government and its leader. Will they opt for competence (of the secretaries of state) or for political support for the disputed minister? That is the question.

In the near future, the government will also have to analyze the situation of the current secretary of state for public administration--San Bento Menezes--whose behavior regarding the unions in that sector does not seem to be pleasing the principal government officials.

In the meantime, the matter of the bill on the legalization of abortion (which the PS plans to present to parliament simultaneously with the bill of the Portuguese Communist Party (PCP), having the same objective) must have been another of the topics that was on the agenda of yesterday's meeting between Soares, Mota Pinto and Almeida Santos. The minister of state and author of the socialist bill is maintaining a very firm position on the subject, especially with the objective of bringing about the speedy and complete clarification of the position of the Social Democratic Party and preventing the indefinite postponement of the problem.

Also with regard to the policy to be pursued with reference to the communications media--another topic under consideration which most particularly involves the minister of state--Almeida Santos reportedly is seeking a speedy decision, specifically in the case of ANOP-NP [Portuguese News Agency-Portuguese News]. Acceptance of the minister's initial proposal to maintain the ANOP and the NP may be the only solution that remains to the government, which is apparently unable to put into effect its position of principle regarding the merger of the two news agencies.

With regard to Secretary of State Anselmo Rodrigues, he will remain in his position until the time of an over-all reshuffle of the Soares cabinet.

Seabra Is Without Secretaries of State

In the meantime, EXPRESSO learned that the minister of education met yesterday morning with the three resigned secretaries of state of his ministry.

The secretaries of state reportedly denied any involvement in the "synthesis document," allegedly written by them, which was published last Thursday in the DIARIO DE NOTICIAS, the substance of which was a strong criticism of Seabra's performance. The three are now reportedly preparing another joint document on their positions, which will be released soon, refuting any connection with the aforementioned report.

8711

CSO: 8142/0554-A

COMMENTARY ON NEED TO REMODEL GOVERNMENT

Lisbon O DIABO in Portuguese 13 Dec 83 pp 12-13

[Commentary by Agapito Pinto]

[Text] There are those who are sure that Mario Soares will use this week to study, together with Mota Pinto, the first remodeling of the government formed 6 months ago. That is a long time for a government in a period of economic crisis, although it would normally be short for governments in a stable democracy, which do not require such intensive remodeling, nor do they fall at the rate at which the constitutional governments have been falling from 1976 to date.

It has come to be felt that the sooner Mario Soares remodels the government, the better. Any delay in the remodeling is going to favor his adversaries, who will find redoubled reasons to criticize sectors which are not functioning, and also creates the conviction, perhaps mistaken, in the remaining sectors that they have a chance of surviving politically beyond their usefulness to the prime minister and his government.

A remodeling by the end of the year--more precisely, even before Christmas--would enable Mario Soares to improve on some of the defective parts in the "central bloc," with jeopardizing its essence and without preventing at some later date--but much later--a more drastic shakeup of his government.

If Soares waits until spring, as he announced in the PS [Socialist Party] National Political Committee, then he will have to make a more radical change, which will not be very easy at a time when the PSD [Social Democratic Party] will be ending its congress and when anything Soares does could be viewed with great concern by the Social Democrats, particularly since they probably will not have defined a clear strategy for the 1985 presidential elections. At that point, the intervention of Mario Soares will have the flavor of interference in the life of the Social Democrats, which they will view negatively to the extent that it will further subordinate the second party in the coalition.

Secretaries of State for Replacement

There are members of the government, particularly secretaries of state, who are being dismissed or suspended and whom it is urgent to replace. There has

been no secretary of state for cooperative development for almost 2 months. After being accused of deals of all shapes and kinds, the secretary of state for labor has only been suspended and is still around, and the prime minister is still saying he has confidence in him, although anyone who paid attention to the way Mario Soares spoke and looked on the television screen was not very sure how much Soares believed in what he was saying.

Custodio Simoes, like Mesquita Machado, who has already been dismissed, must be swiftly replaced.

In the Education Ministry, it is observed that the minister and his secretaries of state are not getting along famously. Either the minister or the secretaries--and it will probably be the secretaries--will be out. It remains to be seen who will replace them.

There is, then, a group of secretaries of state, not to mention the assistant secretary of state of the Public Communications Ministry, who could be (should be) replaced, considering the size of the errors which they have committed, or the great convenience of blaming them for the errors committed in the ministries to which they are attached.

If Custodio Simoes were to fall, it would arouse suspicion about the deals with which he is associated. Mesquita Machado would be purely and simply replaced, since he is no longer exercising his functions. All or some of the secretaries of state in the Ministry of Education may pay for their rebellion against the minister, and Anselmo Rodrigues may pay for his own and for Almeida Santos' errors in the government's information policy.

It might be noted that the criterion is not very just or consistent, but in politics there are always some sacrificial goats and, in some cases, the sacrifices are inevitable and even suitable. In other cases the goats are whoever can be found, to avoid having to replace important ministers in the governmental machine.

Ministers To Follow

It is clear that, in addition to these secretaries of state, there are also ministers who are in line to be replaced, and if they have not been replaced yet, it is only because Mario Soares does not want to give the impression of meddling too much with his government.

To begin with, there is the minister of agriculture, who, from what is known, is thought to be off the track because he is having a controversy with the secretary of state for forestry and there is no way of deciding who is right, the secretary of state or the minister. Perhaps the best solution for Mario Soares and Mota Pinto, who are not particularly anxious to protect the minister, would be to remove the secretary of state and then fire the minister.

The minister of public equipment continues to cause ink to flow in rivers, beginning with his bad relations with the secretary of state for public works. Just the other day, when Eugenio Nobre announced a series of investments in public works,

the minister went on the radio to say that no one could speak for him in defining policy in the sector, that he alone made the decisions and that his collaborators were nothing more than that, and that it was a mistake to assign any basic political decisions to his collaborators.

However, with the weight he carries as national leader of the PSD, Eugenio Nobre will either continue to be supported by Mota Pinto, and Rosado Correia will eventually resign, or Correia will remain and his relations with Eugenio Nobre will turn into some kind of a circus between a minister and a secretary of state who are vying for the prize for influence with the government.

These are the clearest and most notorious cases. Other ministers could and should be replaced, but no one expects Mario Soares to replace Almeida Santos, despite all the mistakes--and no matter how huge--he has made in Public Communications. Nor will Mota Pinto replace his loyal Jose Augusto Seabra, even though it is coming to be felt that if his secretaries of state are replaced every 6 months, there will be no secretaries left who will come to work for the minister. It might yet be concluded that it is the minister himself who is wrong, and not his secretaries, but not until there are two or three more changes of secretaries, in a desperate attempt to demonstrate that it is the minister who is congenial, who has a spectacular vision of the problems in the sector--a vision, incidentally, which was fully demonstrated (for those who may have had any doubts) in the film on Sa Carneiro, in which J.A. Seabra managed to appear the hatchet man, speaking of the period in which he disagreed with Sa Carneiro and saying that the differences between them could not have been greater.

There are other stories, such as those about Veiga Simao, who has a notion of industry which is not entirely shared by other ministers in the economic sector. and who would like to do things which are not consistent with what the finance minister thinks the country's industrial policy should be. It is a detail of minor importance for someone who is accustomed to seeing government matters in personal terms, but in national terms it is a serious matter for an economic minister to have an idea of sectoral policy which does not easily fit into the overall concept established by the Ministry of Finance and Planning.

All these, however, are instances of ministers whom Mario Soares would only want to change at an exceptional moment, this prolonging the indecisions, the clashes, the problems that have characterized his ministries.

It would not be very difficult to make these changes. Several political commentators have already talked about it, suggesting, for example, that Eduardo Pereira, who has had some problems with Internal Administration, could go over to Public Equipment and that two new PSD ministers could replace the current ministers of education and agriculture, or alternatively, that the PSD could acquire Public Equipment for Eugenio Nobre, in exchange for granting the Education and Agriculture ministries to the PS.

It is not a critical problem, within the general makeup of the "central bloc," What is critical for Mario Soares is to have to meddle with ministries already. He may not be very anxious to do so, any more than he is anxious to meddle with the secretaries of state.

Speaking of secretaries of state, we should certainly mention the case of Helena Torres Marques, who excites the most frontal and direct attacks from the PSD and who is far from being considered by the PS itself as an essential political figure in the Ministry of Internal Administration, but whom Mario Soares would find it difficult to remove from the government after the services she rendered at a celebrated televised round table. No one from the PS wanted to go and discuss the Portuguese economic situation, and it was Marques, although with incredible brass and exhibiting illiteracy and irrefutable lack of training, who undertook to defend the Socialist colors, after the "master" economists of the PS, one by one, had refused to do it, because they might harm their image on the small screen.

Mario Soares will have to pay these bills. All political debts must be paid. As he has now paid for various services rendered, having included every single one of his former or current major collaborators on the PS Permanent Committee, so it is with Helena Torres Marques, who did him a favor which is worth at least 6 or 7 months in the government.

Now, or Much Later

If Mario Soares conducts a shift of secretaries of state now, no matter how small, this would indicate that he is waiting until after the PSD congress, in the last week of March or the first 2 weeks in April, to shake up the ministries. Then Mario Soares will have had three ministerial revisions between then and the end of 1984 or early 1985.

If Mario Soares opted to revise the ministries now, he would be saving one change for immediately after the PSD congress and he might not have to make another change until the end of 1984 or the beginning of 1985, when the pre-election period will be approaching.

Good sense, the vacant posts, and the attrition observed in several ministries tell Mario Soares that he may have no other remedy but to have a small shake-up of secretaries of state right now.

But it could still be that Mario Soares does not even want to do this, and if he does not want to, then he will prolong the temporary situation of several departments, to avoid showing any sign of obvious weaknesses until the end of 1983.

It is a choice that only he and Mota Pinto can make. It is a choice that Mario Soares must make, thinking carefully about what Mota Pinto might be cooking up regarding the elections, and naturally Mota Pinto, even without mental reservations, will keep some maneuvering room for himself, which will allow him to draw up a presidential election strategy independent of that of Mario Soares.

What is important, more important than the succession and the merry-go-round of names, are the serious cases of the departments which are not functioning--which is obvious to everyone--to the detriment of the government and the Portuguese people whom the government must serve.

Poorly Functioning Departments

To summarize:

The Ministry of Education is patently malfunctioning. No one would venture to dispute this. The Ministry of Public Equipment is functioning in irregular fashion. Except for the public works sector, the others are functioning at much lower than the desired level, in terms of the commitments of the government platform and the public speeches of the prime minister himself. With regard to cooperatives, there has purely and simply been no action, and Public Communications has functioned very poorly. There have been ups and downs in the Department of Internal Administration and, finally, there are those who feel that two basic sectors of the economy have functioned undesirably or not as well as desired; Agriculture and Industry--the latter with a very clear voluntarist position--are both outside the framework of the overall economic policy.

These are the departments in which--more than outside criticism--the poor internal functioning has become so notorious that it escapes no one--not even the International Monetary Fund, which has been closely watching the Portuguese economy and which Prime Minister Mario Soares has not criticized openly here in Portugal, although he is known to have directed less veiled criticism at the IMF outside the country.

These departments have functioned poorly, worse than the general average functioning of the "central bloc." The prime minister should be concerned with correcting these shortcomings. It is possible that political and personal reasons are preventing him just now from taking note of this and acting accordingly. If this is the case, sooner or later Mario Soares will have to pay the price for his delay.

In politics, delays exact a price. Under the conditions in which certain ministerial departments are functioning, to put off replacing their administrators--it can be said at the outset--will cost very dearly.

6362

CSO: 8142/0511-B-1

MILITARY

NETHERLANDS

SHORTAGE OF COMMISSIONED, NONCOMMISSIONED OFFICERS IN ARMY

Amsterdam DE TELEGRAAF in Dutch 28 Dec 83 pp 1, 7

[Article by Arnold Burlage: "Many Soldiers Do Unpaid Work Of Higher Ranks. Army Has Great Shortage in Officer Corps"; passages enclosed in slantlines in boldface]

[Text] The Hague, Wednesday--Hundreds and hundreds of functions in the army are being filled by soldiers of too low rank, because there is a great shortage of commissioned and noncommissioned officers.

The army command wants--along with "shoving up" personnel from the lower ranks to higher functions--to try to induce soldiers to remain in service in the armed forces longer than up to their retirement age of 55 years.

/Greater/

/The shortages of commissioned and noncommissioned officers will nevertheless not be halved until about 1990, and in some ranks the shortage will be even greater. Now, 20 percent of the commissioned officer functions and 30 percent of the noncommissioned officer functions are being filled by soldiers in the lower ranks./

"Shoving up" soldiers is a bargain for Defense, because working in more difficult functions that should actually be filled by higher ranks is not, despite efforts by the army command, paid any higher.

/Fighting/

/Advancing in rank by occupying a higher position is, on the basis of existing regulations, not possible either. "We are fighting like lions to change that," says the army command./

Major General J.P. Verheijen, personnel director of the Royal Army, believes that the shortages must not be considered too gloomily. "They can be brought back to acceptable levels with measures. In ten years, the shortages will be halved," said the general optimistically in DE DEFENSIEKRANT, official organ of the armed forces.

/Vice President Pim Gooyers of the General Christian Organization of Soldiers (ACOM) thinks that the military command is acting in conflict with the defense note. "If quality takes precedence in the armed forces, as is claimed, it is not primarily the rules that matter but the people who are capable of filling higher positions. They deserve the ranks then, too, and the pay that goes along with them. The solution that is now being chosen is at the personnel's cost," says the ACOM spokesman./

The low point in personnel shortages for commissioned officers will be reached in 1986 and for noncommissioned officers in 1985. The lack of sergeants majors, that now comes to 21 percent, will have to be reduced to 5 percent by 1990; the shortages in majors of 23 percent will have to be wholly eliminated by then. But, on the other hand, the current shortage in lieutenant colonels of 20 percent will have risen to the rate of 44 percent in 1990. There are still 9 percent too many older adjutants in the army now, but in 1990 there will be a shortage of 6.5 percent.

Investigation has shown that voluntarily remaining in service after the retirement age of 55 years, as one of the measures for eliminating the shortages, has more chance of succeeding with commissioned officers than with noncommissioned officers. For commissioned officers, the willingness to serve longer is 50 percent (1 year), 28 percent (2 years) and 13 percent (3 years), but for noncommissioned officers only 24, 15 and 7 percent, respectively.

/The army command wants to approach the problems with and shortages in military technical personnel in another manner. The intention is to employ this category of professional personnel more for technical work and less for military tasks such as exercises. "Whoever has to perform mechanical tasks quickly, cannot work on his physical condition or military knowledge," says Major General Verheijen, who is now having it looked into, how the productive hours of mechanics, among others, can be increased./

The Union of Military Technical and Professional Personnel (VMTB) has been pressing for years for measures to give mechanics more time for their technical work. An investigation by the VMTB showed that technicians in the army cannot get to more than twelve hours per week of mechanical work; the rest of the time is lost to military duties such as exercises, sports, shooting and other tasks.

/"We are glad that something is finally being done about that essential problem that strikes at the employability of the material," said VMTB President Arie Twigt yesterday evening./

12507

CSO: 3614/25

NEWSPAPER BACKS DEFENSE MINISTER IN CALL FOR INCREASED FUNDS

Oslo AFTENPOSTEN in Norwegian 11 Jan 84 p 2

[Editorial: "We Must Strengthen the Defense"]

[Text] Minister of Defense Anders C. Sjaastad can count on broad support for several of the most important conclusions in his speech to the Oslo Military Association on Monday about the situation of the defense forces and about needs and resources. In the light of the threat picture in our part of the world there is no doubt, said Sjaastad, that in the coming years we must strengthen our defenses. We must organize ourselves so that the real growth in the defense budget is used for investment. Together with the military leadership of the defense, the political authorities are about to make necessary changes so that we will get more defense out of each tax krone.

We find it essential that the political will is unequivocally present. That is necessary both because of Norwegian public opinion, and--mostly--because of our own security policy environment, in which Norway's defensive ability is always the subject of attention. With the tasks and problems confronting the defense forces, it would be fatal if the objectives of our defense efforts were not firmly established.

At a time when good friends of defense can hardly conceal their impatience about the shortages, it is understandable that the defense minister finds reason to emphasize how high the priority of defense is, in spite of everything. With a real increase in the defense budget of 3.5 percent each year in the planning period of 1984-1988 the defense is better off than most other areas. As the economic situation is now, we are obliged to lay the foundation for a serious defense debate. And the defense budget's share of the GNP is expected to grow.

Nonetheless, we find ourselves in a situation in which the investment share of our total defense appropriation consists of only 20 percent. That is a source of concern in the light of the shortages in the defense and the needs as we realize them today. Against this background it is relatively little

consolation that the investment share will gradually increase to 25 percent in 1988 and to 30 percent in 1993, even though that is naturally an important target. If we are to get more defense for every tax krone, we believe that it will be necessary to have quite a bit of new thinking. Since a considerable increase of the annual defense appropriation is not politically possible above the planned 3.5 percent, the thought of a certain restructuring should not be rejected.

Within the framework of the limited resources available, the defense minister has undertaken the correct priorities with regard to material procurement in the future. We also agree with his emphasis on the importance of advance storage as a link in the strength of the country's defenses. But at the same time we believe that he is correct in emphasizing the more acute problems, especially in the navy but also in other areas where we know that increasing our own input can increase the possibilities for effective allied help in an eventual crisis situation.

9287

CSO: 3639/57

LIBERAL PARTY LEADER PERCEIVES NEW BASIS FOR DEFENSE CONSENSUS

Oslo ARBEIDERBLADET in Norwegian 31 Dec 83 p 6

[Commentary by Pal Nordenborg: "Security Policy: Conservatives Must Yield or Lose"]

[Text] For the first time in Norwegian postwar politics the dominant broad unity in security policy issues is broken. And that during the time of the government of Willoch, who perhaps more than anyone else has talked about standing together. Instead, Willoch has had to keep his government afloat with a one-vote majority in the Storting since the fall of 1982.

The situation is not, however, unique with Norway. The entire western alliance is experiencing the same thing. Never before have political party differences so largely dominated the discussion within NATO. And as in Norway, it is a large opposition which opposes conservative governments.

The Dorum Model

The leader of the Liberal Party, Odd Einar Dorum has gone directly to the point and outlined a new broad platform which will support the Norwegian security policy--if not immediately, in any case during a Storting election in 2 years.

The platform will mainly be created by the Labor Party, Christian People's Party and Center Party. These are the parties which in foreign defense policy are now closest together. Here the opposition to nuclear weapons is strong, and also the desire for a conventional defense. The parties favor NATO membership. There is no doubt that the Conservative and Progressive Parties do also, but their policy of "arming to disarm" is inconsistent with NATO's dual purpose of security and reduction of tensions. On the other side is the Socialist Left Party, which is against nuclear weapons and also rejects NATO.

The "Dorum Model" is naturally a little weighted by the actual political considerations which the middle parties in the government have in their

contract with the Conservatives. But it expresses that which others have also said, that the Conservative and Progressive Parties can form a pronounced right wing in Norwegian security policy.

Conflict in the Middle

A while back the Norwegian Foreign Policy Institute held an international seminar--"The Lysebu Seminar"--to illuminate the many aspects of the debate over medium range missiles. The missiles were the subject of the debate, but the seminar took up a number of motives and interests which lie behind the question of yes or no to the new missiles in Europe. Now the results are available in the form of the institute's theme pamphlet about medium range missiles and peace in Europe.

From the American and Russian sides the great power viewpoints are presented, researchers from Italy, Great Britain, West Germany and France present different national interests, while other contributions consider military, technological and strategic aspects. INF and political developments in Europe are dealt with, and the director of the institute, Johan Jorgen Holst presents his outline for possible negotiating solutions and measures for arms control.

But the one who spoke out especially on the break in Norwegian security policy unity is Arne Olav Brundtland. He asks whether the future security policy debate in Norway will be marked by the struggle for political power between the Conservatives and the Labor Party, with the middle parties as the battleground.

Government in Danger

His survey of the development of the missile issue in the parties and in the Storting ends with an assumption that the Willoch Government is in danger of losing its majority if it does not show a greater willingness to compromise. Now Brundtland also urges the Labor Party and others to show flexibility. But that can not be done without a statement of willingness from Conservative spokesmen, which the leading Labor Party politicians have already made.

Brundtland confirms that the breakdown of broad cross-party unity on the missile question took place when the Storting in November 1982 was divided approximately in the middle during the debate on Norwegian contributions to the NATO infrastructure program.

In the middle of the missile debate the Labor Party came together, and now gets continuous support from the Socialist Left, Liberals and missile dissenters in the Center Party and the Christian People's Party. The price for rallying with the Labor Party, said Brundtland, is the split down the middle in the Storting.

Conservatives Plus Progressive Party

The price for this position by the middle parties is also divisions in the parties, something which the Conservatives are not experiencing. But does Brundtland believe that the Conservatives have had to pay a price?

Yes, he says, because they can not maintain the broad unity on an issue which the prime minister considers very important, "that the government also depends on support from all the Progressive Party Storting members." According to Arne Olav Brundtland, that is not a desirable situation, because the three parties which now make up the government have an absolute majority in the Storting, if the groups stick together.

Concerning the "Dorum Model" Brundtland believes that the voting by the middle parties will be close to the Labor Party, and on some questions to the left of the Labor Party. But he does not expect any sudden revolution: The consequences of dissenting in the head of the government decides to invest his prestige can in the short term appear so fearsome that any dissent is unlikely to take place.

Disagreement Endures

Brundtland said that the different positions which have appeared, not only on the missile issue but also on questions which are related to disarmament and nuclear strategy, are probably here to stay. That will cause significant difficulties for continuity in Norwegian NATO policy, if the parties choose to stand firm on their premises for this policy. But the difficulties can be managed, he said, if the policy "does not have too strong polemic statements."

9287

CSO: 3639/57

SAS AIRLINE TO ADAPT HELICOPTERS FOR SUBMARINE HUNTING ROLE

To Be Completed by 1986

Stockholm SVENSKA DAGBLADET in Swedish 20 Dec 84 p 15

[Article by Erid Liden]

[Text] SAS is stepping in and saving the rebuilding of seven helicopters for the navy to adapt them for modern submarine hunting. Three navy and four air force helicopters are involved. SAS will rebuild the helicopters by 1986 instead of 1989, as in the offer made by FFV (National Defense Manufacturer).

Several months ago SVENSKA DAGBLADET reported how bureaucracy at the Defense Materiel Command, the naval staff, and in the defense industry--including state-owned FFV--resulted in a delay from 1981, when the helicopters were to be converted, to 1986. After the government decided that four heavy air force helicopters also would be converted for submarine hunting, FFV announced that the seven helicopters would not be ready before 1989.

This runs counter to the desire of the government and of the military leadership to step up antisub capabilities rapidly. For this reason, the government will turn over the job of modifying the helicopters to the SAS workshops on Thursday, since SAS presented an attractive bid in which the last converted helicopter would be delivered in 1986. The price is about the same as the FFV price.

FFV called on the government to give it the order so that FFV could keep its employment level up, but the quickness of SAS seems to have been decisive. For the first time, a wholly civilian firm will modify military helicopters.

By 1986 the navy will have 14 modernized helicopters with modern hydrophone and navigational equipment, the primary task of which will be to locate and combat foreign submarines.

Another cause for concern is the small Elma depth charge, which is not yet totally operative on ships. Series production has begun at FFV, even though tests have not been conducted in the proper environment. The cost also has shot sky-high. Combatting a minisub in a region the size of a football field costs approximately 1 million kronor.

It costs about 4,000 kronor each to series-produce the first Elma charges, if development and installation are included. About 250 Elma charges are required for an area about the size of a football field (110 x 70 meters) if a minisub (25 cubic meters) is to be hit with certainty.

The launchers, which can release a maximum of 32 charges per ship, are permanently fixed on the ship, so that the entire vessel must be used to launch the charge in the proper direction.

Contract Signed

Stockholm SVENSKA DAGBLADET in Swedish 29 Dec 83 p 6

[Article: "Contract with SAS on Helicopter Conversion"]

[Text] On Friday the Defense Materiel Command signed a contract with the SAS workshops in Arlanda for the conversion of seven heavy helicopters.

The contract amounted to 40 million kronor and the seven Vertol helicopters, four from the air force and three from the navy, are to be delivered between 1984 and 1986. Among other things, the conversion includes special equipment for ocean rescue missions and submarine hunting. Since the navy previously had seven Vertol helicopters converted, by 1986 the military will have 14 helicopters especially reserved for submarine hunting.

The National Defense Manufacturer (FFV) in Malmslatt competed with the SAS workshops, but could not complete the conversion as quickly. As a result, the contract went to SAS.

9336

CSO: 3650/88

INDUSTRY FORECASTING INSTITUTE SEES CONTINUED STRONG GROWTH

Stockholm DAGENS NYHETER in Swedish 10 Jan 84 p 8

[Article by Jan Magnus Fahlstrom]

[Text] The Swedish industrial outlook continued upward during the fourth quarter of 1983 and the upward trend is expected to continue during the first half of this year. But employment declined and the business sector anticipated a further decline by the end of the first half.

This appears from the Market Forecasting Institute's latest quarterly barometer for industry, based on a survey carried out in December.

A fairly weak increase was predicted in the first quarter of this year for orders from the domestic market, which rose in most branches during the fourth quarter. The construction materials industry was hit by a decline in orders that is expected to continue.

Orders received from the export market also declined for the construction materials industry and there are plans for a further reduction of production in this area.

But for most branches, export orders rose decidedly in the fourth quarter, even though expectations were not entirely fulfilled for industry as a whole. The surge in orders was especially beneficial for such branches as the engineering industry, the pulp industry and the chemical industry.

With few exceptions, industries were also counting on increased export orders in this quarter too, but as in the September barometer, the order backlog was considered too small by 40 percent of the firms surveyed.

Moderate Rise

Company production plans for the first quarter point to moderate increases overall. Production increases are anticipated by the metal and engineering industry, the wood industry and the chemical industry, among others, while large parts of the domestic consumer products industry expect to maintain an unchanged production level.

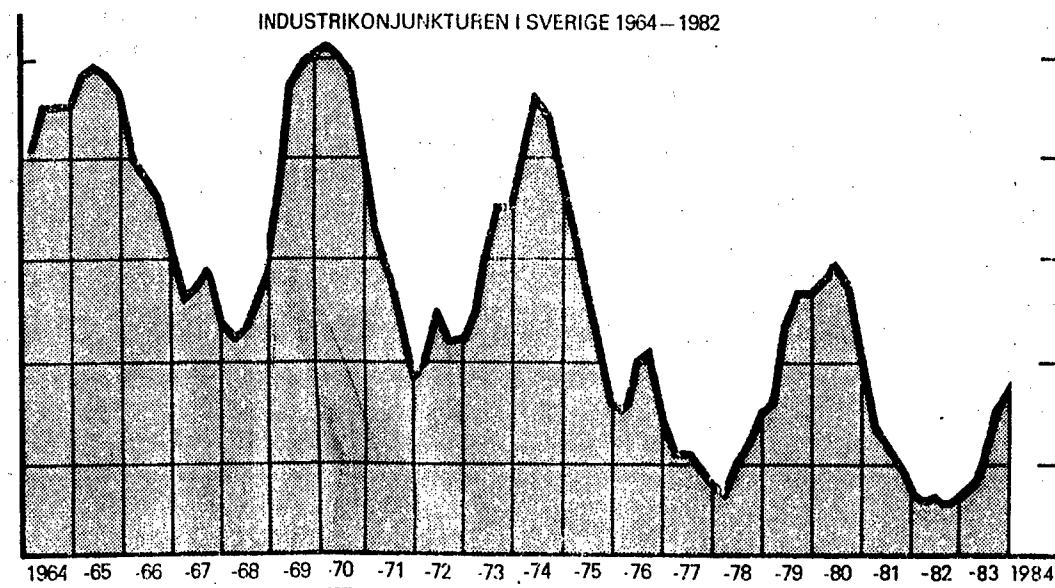
For the entire first half of the year, production plans are more clearly expansive for the large majority of branches.

The anticipated reduction in the stockpile of raw materials did not occur in the fourth quarter. These stockpiles are now regarded to a greater extent as too large and once more, heading into the first quarter, firms plan to reduce them.

When it comes to export prices, the tendency toward price increases is about the same as it was a year ago. With respect to the domestic market, the tendency is considerably stronger.

The decline in industrial employment, which included both workers and salaried employees, was not as big in the fourth quarter as companies had anticipated in September. The decline is expected to continue at an unchanged rate for workers during the first half of this year. It is assumed that it will end for salaried employees during the first quarter.

The shortage of professional workers rose a little more from September to December. The already comparatively large shortage of technical salaried employees also continued to increase.



Industrial Outlook in Sweden, 1964-1982

6578

CSO: 3650/96

CENTRAL BANK ENDS 1983 WITH RECORD CURRENCY RESERVES

Stockholm DAGENS NYHETER in Swedish 10 Jan 84 p 10

[Article by Jan Magnus Fahlstrom]

[Text] At the end of the year, the currency reserves of the National Bank of Sweden rose above 32 billion kronor for the first time, more precisely to 32.153 billion. This was partly because the National Bank appreciated the value of foreign currencies in reserve by 843 million kronor.

The National Bank did not disclose the amounts of various foreign currencies included in the reserves or what rates were used in calculating their value in kronor. But it is no secret that the currency reserves consist largely of dollars. It is fairly safe to assume that it is the rising exchange rate of the dollar that has led to the appreciation of the book value of the reserves.

In addition to foreign currencies, gold is also part of the currency reserve, listed for several years at a value of 1.168 billion kronor. The National Bank does not wish to reveal how much gold it has either. But one can find this out simply by referring to the International Monetary Fund's monthly statistics. They show that since 1979 the gold reserve has remained unchanged at 6.07 million troy ounces. (1 troy ounce = 31.103496 grams.)

Using the current weekly gold price on the trend-setting London market, which is around \$375 per ounce, the market value of the Swedish gold reserve can be estimated at \$2.276 billion. At today's dollar rate of 8.25, this is the equivalent of 18.779 billion kronor.

But the National Bank continues to value its gold at 1.168 billion kronor. At the current dollar exchange rate, this gives a book value of \$23.32, about 1/16th of the market price.

This means that there is a "hidden gold reserve" of 17.6 billion kronor. If that is included in the picture, the National Bank's currency reserves are close to 50 billion instead of around 30.

The National Bank would not be justified in doing this. The price of gold on the market varies from day to day and in December it was up above \$400 and then went down on Monday to \$364. But the authorities who guard our currency are definitely maintaining a real margin of safety.

FOREIGN DEBT INCREASED OVER THIRTY BILLION KRONOR IN 1983

Stockholm DAGENS NYHETER in Swedish 10 Jan 84 p 10

[Article by Anders Nordstrom]

[Text] Sweden's total foreign debt increased by 33.5 billion kronor in 1983. It rose from 201 billion to 234.5 billion, according to preliminary figures from the National Bank.

But more than a third of the increase did not result from Sweden taking out new loans but from the rising exchange rate of the dollar, which made old loans more expensive in terms of kronor.

The Swedish state's foreign debt increased by 26 billion kronor during the past year. It went from roughly 100 billion to 126 billion kronor.

Around 6 billion of this increase was due to exchange losses due primarily to the exchange rate of the dollar, which rose sharply.

The foreign debt of Sweden's private sector rose from 95 to 102 billion, an increase of 7 billion kronor. Of that amount, roughly 5 billion kronor resulted from the higher exchange rate of the dollar.

If we also exclude the 3 or 4 billion increase in export credits that took place last year, the result is that the private business sector's foreign debt in 1983 fell by 1 or 2 billion kronor. In other words, private business paid off more than it borrowed in new loans.

Another part of Sweden's foreign debt stems from foreign loans taken out by municipalities. In general, municipal foreign debt remained unchanged at around 6.5 billion kronor during 1983.

This means that municipal debts abroad declined in real terms by an amount equal to inflation, in other words around 9 percent.

Since the debt burden remained constant in spite of the fact that the high exchange rate of the dollar made loans more expensive, the municipalities paid off more than they took out in new loans.

6578

CSO: 3650/96

MUMCU TURNS CRITICAL EYE TO FOREIGN EXCHANGE RULES

Istanbul CUMHURİYET in Turkish 3 Jan 84 pp 1,11

["Observation" column by Ugur Mumcu: "The Door for Pardon"]

[Text] Are there any prospects today for a pardon for those who have been convicted of or who are being tried for smuggling foreign currency?

This issue gained prominence after the "directive on decree no. 28 on preserving the value of the Turkish currency" was issued by the Treasury and the Foreign Trade Undersecretariat. The following provision in Article 5 of the directive led to rumors that an amnesty may be declared for those who have been convicted of or who are being tried for foreign currency law violations:

"The importation of any type of foreign currency by any means into Turkey is free; it cannot be subject to any restrictions and its origins cannot be probed."

According to this provision of the directive, the acts of buying and possessing foreign currency are no longer regarded criminal. Meanwhile, Article 9 of the directive permits citizens to open foreign currency accounts in banks and to use them "at effective exchange rates."

Prior to this directive, a citizen found possessing foreign currency would be investigated to see where and how he got the money. If the citizen was found to have procured the currency by means not specified by existing legislation he would be taken to court.

Now the directive states clearly:

"Possession of foreign currency is not a crime. Furthermore, no questions will be asked about how the dollars, marks and francs brought in were earned."

Thus, foreign currency smuggling has been decriminalized. That being the case, the situation of those who have been convicted of or who are presently being tried for such crimes must be legally settled.

The issue is this:

Article 2 of the Penal Code states that no one can be sentenced for an act which is not considered a crime at the time it was committed or which is decriminalized by law after it was committed and that, if such a sentence has been passed, the execution of the sentence will be halted and the sentence, together with all its legal consequences, will be repealed.

Now, a citizen who has been convicted for possessing foreign currency may scream from the top of prison bunker beds:

"What I did is no longer a crime. Let me go free."

The truth is that the foreign currency smuggler in prison is justified to scream that way. If an act is decriminalized no one should serve a sentence for that act. No one should, but that is not the way things are done. Because the nature and the confusing structure of foreign currency crimes and rulings by the Supreme Court of Appeals are blocking a verdict to the effect that "the act has been decriminalized, so amnesty follows."

Foreign currency crimes are based on Law No. 1567 on the Preservation of the Value of Turkish Currency enacted in 1930, the decrees promulgated on the basis of the power granted to the Council of Ministers by this law and the directives issued on the basis of the authority granted by these decrees to the Ministry of Finance.

The definition of a crime through decrees and directives rather than laws runs counter to the basic principles of criminal law. Nevertheless, this has been the implementation so far with regard to foreign currency crimes. However, according to the rulings of the Supreme Court of Appeals, acts criminalized by decrees cannot be decriminalized by decrees.

In its rulings on foreign currency crimes, the Supreme Court of Appeals has expressed the view that an act cannot be decriminalized through changes brought about by decrees and that a definite legislative change is necessary to decriminalize an act. Given that, in addition to the latest directive, a law must be enacted to pave the way for pardoning those who have been convicted of foreign currency crimes.

The rationale that dominates the directive must take one further step and enact this law. It would naturally be unfair if some citizens are tried or are kept in prison for an act that has been decriminalized. But we are not trying to reflect on that aspect of the issue. The issue that we want to broach by the way of this problem is entirely a different one.

Today, thousands of people are in prison in Turkey for political crimes. We would like to see these people set free by an amnesty law during the period of transition to democracy. While the door to amnesty for foreign currency smugglers is not yet completely open, it has been set ajar. Smugglers who have hurt the country's treasury will be set free if not at the first try then on the second try. What about those convicted of political crimes?

The Constitution bars amnesty for those who have actually been convicted of political crimes. However, a similar roadblock does not exist for those who are presently being tried for such crimes. Therefore, an amnesty law can be enacted at this time for such defendants.

We do not know: Would consciences not be hurt if we deprive political defendants of an amnesty while we pardon the foreign currency smugglers?

BANKS HARD PRESSED TO KEEP PACE WITH OZAL POLICY

Istanbul TERCUMAN in Turkish 9 Jan 84 p 4

[Excerpt] Work concerning the determination of foreign exchange rates by the banks and other procedures related to foreign currency has been stalled since the beginning of the year. The Central Bank has turned over the authority to set foreign exchange rates to commercial banks in compliance with the changes introduced in the Law on the Preservation of the Value of Turkish Currency. Possession of foreign currency has stopped being a crime. The banks, which were authorized as of Monday to set buying and selling rates on foreign currency within a range of 6 percent above or below the basic Central Bank rate, faltered in the first few days. Some banks did not quote foreign exchange rates the first day, while others quoted rates that very close to each other. There was strong competition in buying prices; foreign banks in particular bought foreign currency at high rates. One instance where bottlenecks emerged was when citizens attempted to open foreign currency accounts in banks. In mid-week, it was announced that interest rates of 8 to 11 percent will be paid on foreign currency accounts. However, no foreign currency accounts have yet been opened because the banks could not comply with the changes in time.

Electricity and Fertilizer Prices Raised

The price increase on electricity, which was expected following the price increase on petroleum, was announced last week. Residential consumers will pay 1.40 Turkish liras extra for each kilowatt-hour of electricity they use above 50 kilowatt-hours per month. The electricity rate for construction sites was raised from 16 to 22 Turkish liras per kilowatt-hour. Businesses using single-phase power will pay 4.15 Turkish liras and those using two-phase power will pay 3.40 Turkish liras extra for each kilowatt-hour they consume. Meanwhile, price hikes on fertilizers raised the price of ammonium sulfate to 16 Turkish liras per kilogram and that of diammonium sulfate to 48 Turkish liras per kilogram.

Meanwhile, Prime Minister Turgut Ozal said in a statement yesterday that no further price increases are contemplated on basic commodities.

Collective Rescue

Changes introduced in the Tax Law by the Ozal government following the radical changes announced in interest rates, foreign trade and foreign exchange

regulations were also given a positive response. When the government's authority to make changes in the tax laws takes effect, a decree will be issued whereby companies will no longer have to pay taxes on real estate or common stock they sell this year. The companies will have to include revenues earned from such sales in their operating capital. This procedure will significantly help companies and banks which are experiencing imbalances between their indigenous and outside resources. Previously, companies were required to pay a 40-percent Institutions Tax. This change has been described by business circles as a "collective rescue operation."

Money and Credit

It has been determined that between 1 January and the first week of December 1983, bank deposits rose by 11.7 percent and reached 2.7 trillion Turkish liras. Of this amount, 1.2 trillion Turkish liras were deposited in public banks and the remaining 1.5 trillion Turkish liras were deposited in private banks. Meanwhile, the Central bank paid out \$700 million in December for the country's foreign debts. Despite that, however, the Central Bank's foreign exchange reserves reportedly did not drop below the \$1 billion level. Foreign exchange reserves held by private banks are estimated at \$800 million.

Gold

The price of gold fell by about \$8 per ounce in foreign markets last week. On the home market, however, gold rose in price. The Republic gold coin rose in value by more than 1,000 Turkish liras. Gold dealers reported that this increase was caused by the rise of the dollar against the Turkish lira rather than by an increase in demand.

As a result of more realistic exchange rates set by commercial banks, the Turkish lira dropped in value against other currencies by about 8 percent over last week. Meanwhile, on the black market, the dollar was selling at 310 Turkish liras. Gold dealers use the black market price of the dollar to set the price of gold at home.

9588

CSO: 3554/123

TWO NEW OIL EXPLOITATION TECHNIQUES BY ELF-AQUITAINE

Paris AFP-Auto in French No. 3377, 15 Dec 83, AFP 151030, 151031, 151032

/Text/ London, 15 Dec--The French petroleum company Elf-Aquitaine exhibited in London two world firsts in the field of research that are expected to have important consequences in the future.

The first one is the development, for the first time in the world, of a horizontal drilling technique that allows exploitation of oilfields on a width of hundreds of meters (300 to 600 depending on depths) with only one drilling, instead of only tens of meters with the present vertical or slanted drillings.

For the second one Elf-Aquitaine presents a refining technique that makes it easier to extract and transport heavy crudes and to convert them, as well as residues, into light products such as gasoline, which are much more in demand and much more profitable than the heavy fuels that are extracted from them at the present time.

The horizontal drilling technique, developed in cooperation with the French Petroleum Institute and the French company Topservices and with financial support from EEC, allows improvement of the productivity of each well by increasing the penetration into the oilfield, and to increase the oil recovery rate, which at this time is only about 25 percent as an average.

It consists of drilling a vertical well that is progressively deflected to the horizontal. In this way, not only can the oilfield be exploited on a much bigger width with only one well, but this technique allows also the exploitation of oilfields reputed to be difficult, by avoiding undesirable water or gas layers.

Similarly, horizontal drilling multiplies the chances of crossing cracks in the oilfields; these are a kind of "circulation avenue" that facilitate the flow of oil and the oil supply to the well.

Usually vertical, these cracks are difficult to come across with vertical drillings. Thus, explained Mr Jacques Bosio, one of the company's researchers, horizontal drilling prevents undesirable water and gas inflows while increasing the oil production of each well.

Four or five times the production is achieved by vertical drilling at a cost only two or three times higher, he said. So far four of these drillings have been effected: two at Lacq (France), one at Rospo Mare (Adriatic) and the other one at Castera Lou, near Tarbes (France).

The Rospo Mare drilling gives hope that this field may be exploited; discovered in 1975, it is supposed to hold 200 million tons of recoverable reserves, that is, 2 1/2 years of France's total consumption. Because of constant flooding of the vertical wells its exploitation had not been previously considered profitable.

Mr Bosio indicated that Elf has already signed an agreement with the German company Preussag authorizing it to exploit this technique; negotiations have also reached an advanced stage with the Algerian company Sonatrach and with China. Approximately 10 other companies are also interested in this technique, including the American company Sohio who would like to use it in Alaska.

As for the new refining technique, called "Asvahl" (Association for the Enhancement of Heavy Crudes), it involves disasphalting with heavy solvents, and viscosity reduction (which lowers the viscosity of heavy crudes in order to make them transportable). It has the advantage of requiring only a small investment and small installations that can be transported by trucks and easily set up at the head of the well, offshore as well as on land.

According to Mr Jacques Bousquet, the world reserves of unconventional and so far unrecoverable heavy crudes are estimated at some 90 billion tons, nearly as much as those of recoverable conventional crudes.

This new technique, called by some people "garbage-can refining" should interest in particular countries like Venezuela and Mexico who are particularly rich in these oils. As for the upgrading of residues, it is of immediate general interest. Venezuela is also a big exporter of residues.

Research done in association with Total and the French Petroleum Institute with the support of the French Government and EEC have resulted in the construction of a group of pilot-plants at Solaize, close to the Elf refinery at Feyzin (near Lyons, Southeast France). Their cost amounted to Fr 250 million.

12260

CSO: 3519/150

ENVIRONMENTAL CATASTROPHE THREATENING NORTH SEA COASTAL AREA

Stockholm DAGENS NYHETER in Swedish 9 Jan 84 p 24

[Article by Osmo Vatanden]

[Text] An environmental catastrophe of at least the same dimensions as the acidification of the German forests is taking place along the coasts of Denmark, Germany and the Netherlands.

One of the world's richest and most productive ecosystems--the Wadden Sea--is in its death throes due to the assaults of environmental pollution, dam construction, mass tourism, oil drilling and shipping.

On the sludge-colored sand on the ocean floor off Cuxhaven, long rows of branches stick up, bending and twisting as far as the horizon. They mark invisible paths to islands and sand banks on the edge of the sea. Small groups of people wander off across the dirty, puddle-dotted desert of sand. Some look a little anxiously at the time. In a few hours, high water will return and wash away all the footprints and cover up the branches for a few more hours.

This is the Wadden Sea, a no-man's-land between ebb and flood tide, an often empty, desolate and featureless landscape where the presence of life can be seen in isolated heaps of wood, grassy sand dunes and salt marches lying below the gigantic embankments that protect people from the storms of the North Sea.

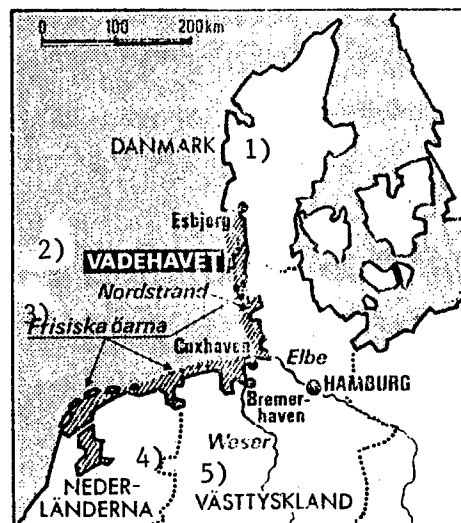
Strong Splash of Color

The vegetation is the only strong splash of color in the tidal area, where colors usually range from the dirty gray of the sand to the blue gray of the sea and the brown range of colors of the clumps of seaweed.

Screaming flocks of birds are often the only sign of animal life in the stillness of the Wadden Sea, which can be quickly broken by the unpredictable weather of the North Sea.

"Vadehavet" is the Danish name for this unique feature that stretches from Esbjerg in Denmark to Den Helder on the western border of the Netherlands. In German it is called "Wattenmeer" and in English, the "Wadden Sea," the sea one can walk on. The tidal belt is the closest Swedish term. The coastline extends 45 miles, while the Wadden Sea itself can be 16 km wide. This is an area of between 8,000 and 10,000 square kilometers.

When one sees the Wadden Sea for the first time, one would not believe it is one of the world's most productive and richest ecosystems. One first gets a hint of it when one puts on boots and goes out on the gurgling, sighing and shifting sands. Sounds come from the millions of crabs, mussels and larvae that have buried themselves in the sand while the high water is gone. In a square meter of sand, one can find 40,000 crabs. At the bottom are almost 10 times as many living creatures as there are out in the North Sea, which is otherwise counted as one of the best fishing areas in the world.



There are 45 miles between Esbjerg in Denmark and Den Helder in the Netherlands (the hatched lines on the map). It is along this strip of coast that the Wadden Sea lies. When the water is at its lowest level, the exposed surface can measure up to 10,000 square kilometers.

Key:

- | | |
|--------------------|-----------------|
| 1. Denmark | 4. Netherlands |
| 2. Wadden Sea | 5. West Germany |
| 3. Frisian Islands | |

Flounder Thriving

In the Wadden Sea, flounder, ocean burbot and sole flourish, but almost all the fish found in the North Sea depend in one way or another on the Wadden Sea for feeding or breeding purposes.

The Wadden Sea is also a resting spot, winter home or permanent residence for millions of birds from South Africa to Scandinavia, Alaska and Siberia. If the Wadden Sea is disturbed, the bird population on several continents would be diminished, in many cases drastically.

Around 4,000 seals also live here out on the islands and sand spits. It is estimated that in all the Wadden Sea contains 4,000 kinds of animal and plant life, about a fourth of them totally bound to this environment.

The turnover is so great that the Wadden Sea has at least the same purification capacity as all the treatment plants in a city of a million people.

Important Factors

Therefore it is not strange that the Dutch environmental protectionist, Karel van der Zwiep, calls the Wadden Sea the most important area for mankind next to the rain forests.

There are several important factors that make the Wadden Sea possible:

The difference in levels between ebb and flood tide amounts to several meters.

There are island chains (the eastern, northern and western Frisians) that protect the tidal belt from erosion while at the same time the sea brings in enormous quantities of sand and silt.

The surrounding area is flat and the beaches are shallow. The Wadden Sea is crisscrossed by troughs as much as 40 meters deep that branch out like rivers closer to shore before eventually merging into the even bottom of the shore.

The same favorable factors have also contributed to terrible catastrophes. The catastrophe of 1362 near Husum when storm floods swept away the town of Rungholt with 28 churches and chapels and perhaps as many as 100,000 people is still called "Mandrenken." In 1634 the sea struck again and destroyed 4,000 hectares of island with 3,000 inhabitants at one blow. Two islands were reclaimed after a tough battle. Even today one can catch sight of the ruins of settlements on the ocean floor at low tide.

Constant Struggle

There is a constant struggle between the people and the sea. They still say in that region: "De nich will dieken, mutt wieken." (Without the dikes

it will break.) As late as 1976 the sea raged against the earthworks that line the coast as reinforcements and broke through in several places. That is also part of the reason why they are building new dikes near Husum at a cost of 864 million kronor.

But at the same time the dikes shut important biotopes off from the sea. The protests from environmental protectionists and organizations have been prolific, extensive and strong. Dams have also been considerably reduced. The area around the islands of Nordstrand and Pellworm is the center for the so-called salt marshes that consist of around 20,000 hectares in the entire Wadden Sea area. They originated because the sea threw up so much silt and sand that the marshes are only covered when the water is extremely high. But they contain half of all the species in the Wadden Sea and represent its biologically most productive part. From the salt marshes we have obtained such things as sugar beets and table beets as well as cauliflower and other kinds of cabbages.

Pollution

Without the recession, the Wadden Sea might have already died a natural death. Largescale plans for enormous industrial areas at the mouths of the Rhen, Elbe, Ems and Weser rivers were shelved, but perhaps only for the time being. There is at least one big project in the plans--Dollarthammen on the German-Netherlands border, a second Ruhr.

Already now the great rivers carry 90 million tons of pollution out into the sea from the industries and cities of half of Europe. Think of 170,000 tons of fertilizer, 331,000 tons of iron, 34,000 tons of zinc, 14,000 tons of lead, 10,000 tons of copper, 1,000 tons of cadmium and 1,000 tons of mercury a year. If one has a fever in Elbe, one can use an eel as a thermometer. Lately there have been more modern pollutants such as plutonium from Windscale in Great Britain, 1.5 million tons of titanium dioxide acid, PCB and much more. Already this has resulted in two out of three seals never surviving their first year--they can live to be 25 to 30 years old.

The Wadden Sea is crisscrossed by oil pipelines from the North Sea fields and oil transports. Already small leaks and carelessness on the part of oil tankers leads to millions of tons of oil spills in the area annually. It was oil that brought the Wadden Sea to West Germany's attention this year. Around 100,000 birds that had been killed by oil spills were gathered up at the beginning of the year.

Tourist Erosion

But the Wadden Sea is also visited by 5 million tourists annually. The numbers are rising rapidly, since fewer and fewer people can afford to travel south. The dunes are eroded and the salt marshes are turned into camping sites and recreational areas.

"Some people have said that it is 5 minutes to 12 as far as the Wadden Sea is concerned," said Holger Wesemueller, chairman of the steering group that is coordinating the environmental groups of three countries in the fight for the Wadden Sea.

"But we hope that we have even that much time."

Wesemueller is employed by the World Nature Fund, which indirectly finances and guides the fight for the Wadden Sea.

"We have come so far that we managed to get the governments of Holland, West Germany and Denmark to issue statements of principle concerning the Wadden Sea."

But they have not come much further than that. Only Holland has prepared a general plan for protecting the Wadden Sea.

6578

CSO: 3650/96

END